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TITLE 3—THE PRESIDENT

PROCLAMATION 2735

FREE IMPORTATION OF TIMBER, LUMBER, AND LUMBER PRODUCTS

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS Proclamation No. 2708 of October 25, 1946, authorizes the Secretary of the Treasury to permit, under such regulations and subject to such conditions as the Secretary may deem necessary, the importation free of duty of any articles which the Housing Expediter designates and certifies as timber, lumber, or lumber products suitable for the construction or completion of housing accommodations; and

WHEREAS it now appears that it would be in the public interest to terminate the aforesaid proclamation on August 15, 1947:

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, under and by virtue of the authority vested in me by the Constitution and laws of the United States, and in particular by section 318 of the Tariff Act of 1930 (46 Stat. 590, 696), do hereby declare that Proclamation No. 2708 is hereby amended to provide that it shall terminate on August 15, 1947.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this 28th day of June in the year of our Lord nineteen hundred and forty-seven, and of the Independence of the United States of America the one hundred and seventy-first.

[SEAL]

HARRY S. TRUMAN

By the President:

G. C. MARSHALL,
Secretary of State.

[F. R. Doc. 47-6233; Filed, June 30, 1947; 2:57 p. m.]

EXECUTIVE ORDER 9869

AMENDMENT OF EXECUTIVE ORDER NO. 9744B of JUNE 29, 1946, PRESCRIBING REGULATIONS GOVERNING THE FURNISHING OF CLOTHING IN KIND OR PAYMENT OF CASH ALLOWANCES IN LIEU THEREOF TO ENLISTED PERSONNEL OF THE NAVY, THE COAST GUARD, THE NAVAL RESERVE, AND THE COAST GUARD RESERVE

By virtue of and pursuant to the authority vested in me by section 10 of the Pay Readjustment Act of 1942 (56 Stat. 359, 363), it is hereby ordered as follows:

1. Sections A1 (b), A2 (b), and A3 (b) of Executive Order No. 9744B of June 29, 1946, prescribing regulations governing the furnishing of clothing in kind or payment of cash allowances in lieu thereof to enlisted personnel of the Navy, the Coast Guard, the Naval Reserve, and the Coast Guard Reserve, are amended to read, respectively, as follows:

"A1 (b) Enlisted men in other ratings	$124.25	$12.00"
"A2 (b) Within 30 days from date of enlistment or reporting for active duty	175.75	20.00"
"A3 (b) Within 30 days from date of enlistment or reporting for active duty	175.75	20.00"

2. Paragraph 1 hereof shall become effective on July 1, 1947, and the said Executive Order No. 9744B as amended by Executive Order No. 9785 of October 1, 1946, and by this order shall continue in effect during the fiscal year ending June 30, 1948.

HARRY S. TRUMAN

THE WHITE HOUSE,
June 30, 1947.

[F. R. Doc. 47-6282; Filed, July 1, 1947; 10:39 a. m.]

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TITLE 6—AGRICULTURAL CREDIT

Chapter II—Production and Marketing Administration (Commodity Credit)

[1947 C. C. C. Wheat Bulletin 1, Supp. 1]

PART 251—WHEAT LOANS AND PURCHASE AGREEMENTS

1947 WHEAT LOAN AND PURCHASE AGREEMENT PROGRAM

Pursuant to the provisions of Article Third, paragraphs (b) and (j) of the Corporate Charter of Commodity Credit Corporation; sec. 7 (a), 49 Stat. 4 as amended, sec. 8, 56 Stat. 767 as amended; 15 U. S. C. Sup., 713 (a), 50 U. S. C. App., Sup., 968, Commodity Credit Corporation and the Production and Marketing Administration have issued regulations (12 F. R. 4167) governing the making of loans and purchase agreements on wheat produced in 1947. Such regulations are hereby supplemented as follows:

§ 251.126 *Rates at which loans and purchases will be made*—(a) *Rates at terminal markets.* For loan or purchase at the full rate shown in the following schedule, the wheat must have been shipped on a domestic interstate freight rate basis. The rate at the designated terminal market will be reduced by the difference between the freight paid and the domestic freight rate on any wheat shipped at other than the domestic freight rate. The following schedule of rates applies to wheat delivered to any designated terminal market in carload lots which has been shipped by rail from a country shipping point to one of the designated terminal markets, as evidenced by paid freight bills duly registered for transit privileges and other documents as required in 1947 C. C. C. Wheat Bulletin 1: *Provided,* That in the event the amount of paid-in freight is insufficient to guarantee minimum proportional freight rates from the terminal market, there shall be deducted from the applicable terminal rate the difference between the amount of freight actually paid in and the amount required to be paid in to guarantee outbound movement at the minimum proportional freight rate. The warehouse receipts must be accompanied by the registered freight bills, or by a statement written in the following form and signed by the warehouseman, or a certificate of such warehouseman containing such an undertaking, or such forms as may hereafter be approved by CCC. In the absence of such freight bills or certificates, a deduction of 6 cents per bushel shall be made.

FREIGHT CERTIFICATE FOR TERMINALS

The wheat represented by attached warehouse receipt No. _____ was received by rail freight from _____ _____
(Town) (County)
_____ point of origin, as evidenced by
(State)
freight bill described as follows:

Way Bill, Date _____ No. _____
Car No. _____ Init. _____
Freight Bill, Date _____ No. _____
Carrier _____ Transit Wt. _____
Freight Rate In _____
Amt. Collected _____
Number Unused Transit Stops _____

The above-described paid freight bill has been officially registered for transit and will be held in accordance with the provisions of paragraph 19 of the Uniform Grain Storage Agreement.

_____
(Date of Signature)

_____ _____
(Warehouseman's Signature) (Address)

Wheat trucked to a designated terminal market and stored in a warehouse shall have a rate equal to the higher of the terminal rate minus 6 cents per bushel, or the county rate for the county in which the wheat is stored.

(1) *Terminal rates for No. 1 wheat.* 1947 wheat rates on No. 1 dark hard winter, No. 1 hard winter, No. 1 yellow hard winter, No. 1 red winter, No. 1 western red, No. 1 soft white, No. 1 white club, No. 1 western white, No. 1 hard white, No. 1 heavy dark northern spring, No. 1 heavy northern spring, No. 1 heavy red spring, No. 1 hard amber durum, No. 1 amber durum, No. 1 durum, stored in eligible warehouse storage at the following terminal markets shall be as follows:

Market	*Rate per bushel*
Kansas City, St. Joseph, Mo.; Kansas City, Kans.; Omaha, Nebr.; Council Bluffs, Iowa	$2.03
Chicago, Ill.; Milwaukee, Wis.; St. Louis, Mo.; East St. Louis, Ill	2.08
Minneapolis, St. Paul, Duluth, Minn.; Superior, Wis	2.05
Portland, Oreg.; Seattle, Vancouver, Tacoma, Longview, Wash	1.98
San Francisco, Los Angeles, Stockton, Oakland, Calif	2.06
Galveston, Houston, Tex.; New Orleans, La	2.11
Cairo, Ill	2.09
Evansville, Ind.; Louisville, Ky.; Cincinnati, Ohio	2.10
Philadelphia, Pa.; Baltimore, Md.; Norfolk, Va. (except as provided in paragraph b (2) of this section)	2.19
Albany, N. Y	2.20

The terminal rate for other than No. 1 wheat shall be determined by subtracting the following discounts from the applicable terminal rates:

Classification	*Cents per bushel*
No. 1 red durum	15
No. 1 mixed wheat (containing less than 10 percent of wheats of the classes durum and/or red durum)	2
No. 1 mixed wheat (containing in excess of 10 percent of wheats of the class durum and/or red durum)	15
No. 1 mixed wheat grading amber mixed durum	5
No. 1 mixed wheat grading mixed durum	10

(2) *Variations for grades.* Rates for eligible grades and subclasses shall be at the following schedule of discounts and premiums:

(i) *Discounts.*

	No. 1 heavy dark northern spring, No. 1 heavy northern spring, No. 1 heavy red spring	No. 1 dark hard winter, No. 1 hard winter, No. 1 yellow hard winter, No. 1 red winter, No. 1 western red, No. 1 hard white, No. 1 soft white, No. 1 white club, No. 1 western white, No. 1 hard amber durum, No. 1 amber durum, No. 1 durum, No. 1 mixed durum, No. 1 red durum, No. 1 mixed wheat
	Cents per bushel	*Cents per bushel*
No. 1 (not heavy)	1	0
No. 2	2	1
No. 3	4	3
No. 4	6	6
No. 5	9	9
Smut-degree basis:		
Light smutty	2	2
Smutty	6	6
Smut-percentage basis:		
½ of 1 percent	2	2
1 percent or over	6	6
Light garlicky	2	2
Garlicky	6	6

(ii) *Premiums.*

Protein content (percent)	Minneapolis, St. Paul, Duluth, Minn.; Milwaukee, Superior, Wis.; Kansas City, St. Joseph, Mo.; Kansas City, Kans.; Omaha, Nebr.; Council Bluffs, Iowa; Chicago, East St. Louis, Ill.; St. Louis, Mo.; Galveston, Houston, Tex.; New Orleans, La.; Philadelphia, Pa.; Baltimore, Md., Albany, N. Y.		Portland, Oreg. Seattle, Vancouver, Longview, Tacoma, Wash.; San Francisco, Los Angeles, Stockton, Oakland, Calif.	
	Hard red spring	Hard red winter; hard white wheat	Hard red spring	Hard red winter; hard white wheat
	Cents per bushel	*Cents per bushel*	*Cents per bushel*	*Cents per bushel*
10.0-10.9	-------	-------	1	1
11.0-11.9	-------	-------	2	2
12.0-12.9	-------	-------	3	3
13.0-13.9	1	1	4	4
14.0-14.4	2	1½	5	4½
14.5-14.9	3	2	6	5
15.0-15.4	4	2½	7	5½
15.5-15.9	5	3	8	6
16.0-16.4	6	3½	9	6½
16.5-16.9	7	4	10	7
17.0-17.4	8	4½	11	7½
Over 17.4	(1)	(2)	(3)	(4)

[1] 1 for each ½ percent of protein over 17.4 percent.
[2] ½ for each ½ percent of protein over 17.4 percent.
[3] 1 for each ½ percent of protein over 17.4 percent.
[4] ½ for each ½ percent of protein over 17.4 percent.

(b) *Rates at other than designated terminal markets.* (1) For States and counties other than those designated in subparagraph (2) of this paragraph, the rate for wheat in storage on the farm or in country warehouses shall be determined by deducting from the designated terminal market rate an amount equal to the receiving and loading-out charges computed in accordance with the schedule of rates of the Uniform Grain Storage Agreement (CCC Form H, revised June 1, 1946) plus the all-rail interstate freight rate (plus tax) from the country warehouse point, or the shipping point designated by the producer, to such terminal market; except that in such counties of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Arkansas, Texas, and Wisconsin as may be recommended by the State PMA committee such rates shall be computed on the basis of the average freight rate from all shipping points other than subterminal markets in each county to the appropriate terminal market.

The rate for wheat stored in approved warehouses (other than those situated in the designated terminal markets or in the States and counties designated in subparagraph (2) of this paragraph) which was shipped by rail shall be determined by deducting from the appropriate designated terminal market rate an amount equal to the transit balance of the through freight rate from point of origin for such wheat to such terminal market, plus freight tax on such transit balance, *Provided*, That in the case of wheat stored at any railroad transit point, taking a penalty by reason of out-of-line movement, or for any other reason, to the appropriate designated market, there shall be added to such transit balance an amount equal to any out-of-line or other costs incurred in storing wheat in such position, as determined by CCC. The warehouse receipts, in addition to other required documents, must be accompanied by the original paid freight bills duly registered for transit privileges or by a statement of the warehouseman in the following form, or a warehouseman's supplemental certificate containing such information:

FREIGHT CERTIFICATE FOR OTHER THAN TERMINAL POINTS

The wheat represented by attached warehouse receipt No. _____ was received by rail freight from _____
(Town)
_____
(County) (State)
point of origin, as evidenced by freight bill described as follows:

Way Bill, Date _____ No. _____
Car No. _____ Init. _____
Freight Bill, Date _____ No. _____
Carrier _____ Transit Wt. _____
Freight Rate in_____ Amt. Collected _____
Transit Balance, if any, of through freight rate to _____
of _____ @ per 100 pounds
Number Unused Transit Stops _____

The above-described paid freight bill has been officially registered for transit and will be held in accordance with the provisions of paragraph 19 of the Uniform Grain Storage Agreement.

_____
(Date of Signature)

_____ _____
(Warehouseman's Signature) (Address)

(2) Separate schedules of rates for wheat at other than designated terminal markets and for certain wheat at Norfolk, Virginia, will be issued with respect to the States and counties hereinafter set forth:

All counties in Arizona, Delaware, Kentucky, Maryland, New York, New Jersey, North Carolina, Tennessee, Virginia, West Virginia;

In New Mexico, the counties of Bernalillo, Colfax, Curry, Harding, Quay, Roosevelt, Sandoval, San Juan, San Miguel, Santa Fe, Torrance, Union, and Valencia;

In Colorado, the counties of Alamosa, Archuleta, Chaffee, Conejos, Costilla, Delta, Dolores, Eagle, Garfield, Grand, Gunnison, Hinsdale, Jackson, Lake, La Plata, Mesa, Mineral, Moffat, Montezuma, Montrose, Ouray, Pitkin, Rio Grande, Routt, Saguache, San Juan, San Miguel, Summit.

The rate for wheat originating in the counties of Cecil, Kent, Queen Annes, Caroline, Talbot, Dorchester, Wicomico, Somerset, and Worcester in Maryland; all counties in Delaware; and Accomac and Northampton counties in Virginia which is shipped to Norfolk, Virginia, and stored in the Norfolk terminal elevator of the Norfolk and Western Railroad shall be the rate shown on such separate schedule for the county from which the wheat is shipped plus the amount of freight per bushel paid, plus 5½ cents per bushel.

The rate for wheat stored in other approved warehouses (except those situated at designated terminal markets) in the foregoing States and counties, which was shipped by rail in the movement of natural market direction as approved by CCC, shall be determined by adding to the county rate shown on such separate schedule for the county from which the wheat was shipped an amount per bushel equal to the receiving and loading-out charges computed in accordance with the schedule of rates of the Uniform Grain Storage Agreement (CCC Form H, revised June 1, 1946), and an amount equal to the transit value of the freight paid from point of origin to markets designated by CCC, plus freight tax on the transit value from point of origin to the warehouse. Lending agencies and county committees are advised that in each instance the transit value must be verified by the Grain Branch Office serving the area. The warehouse receipts must be accompanied by the original paid freight bills or certificates of the warehousemen and other required documents as set forth in subparagraph (1) of this paragraph. If the wheat is stored in approved warehouses located at transit points, taking a penalty by reason of back haul, or out-of-line of natural market movement, such penalty or other costs by reason of such movement, as determined by CCC, shall be deducted from the loan rates as determined above.

(Art. Third, Corporate Charter of Commodity Credit Corporation, sec. 7 (a), 49 Stat. 4, as amended, sec. 8, 56 Stat. 767, as amended; 15 U. S. C. Sup. 713 (a), 50 U. S. C. App. Sup. 968)

Date program announced, June 17, 1947.

[SEAL] C. C. FARRINGTON,
Acting President,
Commodity Credit Corporation.

[F. R. Doc. 47-6248; Filed, July 1, 1947; 8:47 a. m.]

TITLE 7—AGRICULTURE

Chapter III—Bureau of Entomology and Plant Quarantine, Department of Agriculture

[BEPQ 74]

PART 319—FOREIGN QUARANTINE NOTICES

CUT FLOWER QUARANTINE

Examination by plant quarantine inspectors of imported cut flowers arriving from foreign countries, especially via air cargo has disclosed that such flowers may carry injurious insects and plant diseases not known to occur in the United States. If introduced into this country, these pests could cause serious injury to our domestic floriculture and horticulture industries. To prevent the introduction of such pests, it has become necessary that authorization and procedures be established to regulate the entry of cut flowers from foreign sources. The accompanying quarantine and regulations issued in compliance with and under authority of the Plant Quarantine Act provide for this.

The Secretary of Agriculture has determined that the unrestricted importation of cut flowers from foreign countries,

including those in Europe, Asia, Africa, Australasia, South America, Central America, North America, and other foreign countries and islands (other than cut flowers produced in the Dominion of Canada, Labrador, Newfoundland, and the United States), may result in the entry into the United States from these foreign countries and localities of injurious insects and plant diseases, including the citrus blackfly (Aleurocanthus woglumi Ashby) and a Cercospora leaf spot, and that it is therefore necessary to restrict the entry of cut flowers from these foreign countries and localities to prevent the introduction of such injurious insects and plant diseases into the United States.

SUBPART—CUT FLOWERS

QUARANTINE

Sec.
319.74 Notice of quarantine.

RULES AND REGULATIONS

319.74–1 Definitions.
319.74–2 Regulated articles.
319.74–3 Conditions governing the entry of cut flowers.
319.74–4 Procedure for obtaining permits.
319.74–5 Notice of arrival.
319.74–6 Shipments for experimental or scientific purposes.

AUTHORITY: §§ 319.74 to 319.74–6, inclusive, issued under secs. 5 and 7, 37 Stat. 316, 317; 7 U. S. C. 159, 160.

SUBPART—CUT FLOWERS

QUARANTINE

§ 319.74 *Notice of quarantine.* The Secretary of Agriculture, having given the public hearing required by law and having determined the pest risk involved, forbids the importation of cut flowers into the continental United States, Hawaii, and Puerto Rico from foreign countries, including those in Europe, Asia, Africa, Australasia, South America, Central America, North America, and other foreign countries and islands (other than cut flowers produced in the Dominion of Canada, Labrador, Newfoundland, and the United States), except as provided in the regulations supplemental hereto.

This quarantine shall not be construed to modify provisions applicable to cut flowers included in special quarantine or other restrictive orders now in force or hereafter promulgated.

RULES AND REGULATIONS

§ 319.74–1 *Definitions.* For the purpose of these regulations in this subpart the following words, names, and terms shall be construed, respectively, to mean:

(a) *Cut flower.* The highly perishable commodity known in the commercial flower-producing industry as a cut flower, and being the severed portion of a plant, including the inflorescence, and any parts of the plant attached thereto, in a fresh state. This definition shall not include dried, bleached, dyed, or chemically treated decorative plant materials; filler or greenery, such as fern fronds and asparagus plumes, frequently packed with fresh cut flowers; nor to Christmas greenery, such as holly, mistletoe, and Christmas trees.

(b) *Inspector.* An employee of the United States Department of Agriculture authorized by the Secretary of Agriculture to enforce the provisions of the Plant Quarantine Act.

(c) *Permit.* A form of authorization to allow the importation of cut flowers in accordance with the regulations in this subpart. In the case of cut flowers imported in small quantities, this may be an oral authorization by the inspector at the port of entry.

§ 319.74–2 *Regulated articles.* (a) All cut flowers imported into the United States from the foreign countries and islands designated in the quarantine are subject to the regulations in this subpart.

(b) Such types of cut flowers as may be determined by the Chief of the Bureau of Entomology and Plant Quarantine and designated by him in administrative instructions as involving special risk of introducing into the United States any new and potentially injurious insect or plant disease shall be admitted only under permit.

(c) Whenever, in the opinion of the Chief of the Bureau of Entomology and Plant Quarantine, a State or Territory of the United States shall have taken action to suppress types of pests that may be imported with certain cut flowers, and shall have promulgated, when such action contributes to the suppressive program, a plant quarantine prohibiting the entry in interstate movement of specific kinds of cut flowers that might introduce such pests, and further shall have requested through the responsible State official that the United States Department of Agriculture cooperate by restricting the importation from foreign countries named in this quarantine of such cut flowers into the State or Territory in question, importations thereof to said State or Territory may be denied by the Chief of the Bureau of Entomology and Plant Quarantine either through refusing approval of a permit or such other means as he may announce.

§ 319.74–3 *Conditions governing the entry of cut flowers.* (a) All cut flowers imported from the named foreign countries and localities, whether or not subject to permit requirements, shall be given such inspection and treatment at the port of entry as may be deemed necessary by the inspector. Any cut flowers found upon inspection to be infested with injurious insects or infected with plant diseases, which cannot be eliminated by treatment, shall be denied entry. The importer will be given the option of abandoning for destruction such rejected cut flowers or immediately shipping them to a point outside the United States.

(b) Under circumstances which will in the judgment of the inspector eliminate pest risk, the inspector may orally authorize entry in small quantities of cut flowers that are subject to the permit requirements.

(c) Whenever, during the inspection of cut flowers imported in accordance with the regulations in this subpart, the inspector shall find them to be infested with an injurious insect or infected with an injurious plant disease, either of which can be eliminated by a method of treatment selected by him in accordance with administratively authorized procedures known to be effective under the conditions applied, he may prescribe as a condition of entry that such treatment be applied by the importer or his agent, under the supervision of the inspector. All costs for such treatment, except for the services of the inspector, shall be borne by the importer or his agent. Neither the Department of Agriculture nor the inspector shall be deemed responsible for any adverse effects of such treatment on the cut flowers so treated. In lieu of treatment the importer of infested or infected cut flowers shall be given the option of immediately shipping them to a point outside the United States or abandoning them for immediate destruction.

§ 319.74–4 *Procedure for obtaining permits.* (a) Persons desiring to import cut flowers subject to the permit requirements of the regulations in this subpart shall submit to the Bureau of Entomology and Plant Quarantine, an application [1] stating the exact designation of the cut flowers to be imported, the name and address of the exporter, the country where grown, the port of entry, their destination in the United States, and the name and address of the importer or agent in the United States to whom the permit should be sent.

(b) Application for permit should be made in advance of the proposed importation.

(c) Upon receipt and approval of such application by the Bureau of Entomology and Plant Quarantine, a permit will be issued which will authorize the importation, specify the port of entry, and prescribe conditions that may be needed to safeguard against the entry of pests.

§ 319.74–5 *Notice of arrival.* Immediately upon the arrival at a port of entry of a commercial shipment of cut flowers, the entry of which is permissible only under permit, the permittee shall submit to the Bureau of Entomology and Plant Quarantine through the Collector of Customs, duplicate copies of a notice of arrival. A form is provided by the Bureau of Entomology and Plant Quarantine for that purpose.

§ 319.74–6 *Shipments for experimental or scientific purposes.* Cut flowers may be imported for experimental or scientific purposes by the United States Department of Agriculture upon such conditions and restrictions as the Chief of the Bureau of Entomology and Plant Quarantine may prescribe.

This quarantine and these regulations shall be effective on and after August 1, 1947.

Done at the city of Washington this 26th day of June 1947.

Witness my hand and the seal of the United States Department of Agriculture.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 47–6207; Filed, July 1, 1947; 8:47 a. m.]

[1] Address applications to Import and Permit Section, Bureau of Entomology and Plant Quarantine, 209 River Street, Hoboken, New Jersey. Form EQ–687 may be used, but a letter or telegram setting forth the required information will be accepted in lieu of an application on form EQ–687.

[B. E. P. Q. 563]

PART 319—FOREIGN QUARANTINE NOTICES

DESIGNATION OF CUT FLOWERS SUBJECT TO PERMIT REQUIREMENTS UNDER CUT FLOWER QUARANTINE

§ 319.74–2a *Administrative instructions relative to the cut flower quarantine.* Pursuant to the authority conferred upon the Chief of the Bureau of Entomology and Plant Quarantine by paragraph (b) of § 319.74–2 (Notice of Quarantine No. 74), it has been determined that the following types of cut flowers involve special risk of introducing into the United States new and potentially injurious insects or plant diseases when imported into the continental United States, Hawaii, and Puerto Rico from the foreign countries and localities designated in § 319.74:

Camellia—Camellia spp.
Gardenia, cape jasmine—Gardenia spp.
Rhododendron—Rhododendron spp. (including Azalea)
Rose—Rosa spp.
Lilac—Syringa spp.

Accordingly it is hereby required that the above types of cut flowers may be imported from the designated foreign countries and localities only under permits issued in accordance with the procedure authorized in §§ 319.74–3 to 319.74–5, inclusive.

These instructions shall be effective on and after August 1, 1947.

(Sec. 5, 37 Stat. 316; 7 U. S. C. 159; §§ 319.74–2 to 319.74–5, inclusive)

Done at Washington, D. C. this 26th day of June 1947.

[SEAL] P. M. ANNAND,
Chief, Bureau of Entomology and Plant Quarantine.

[F. R. Doc. 47–6206; Filed, July 1, 1947; 8:47 a. m.]

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders)

PART 936—FRESH BARTLETT PEARS, PLUMS, AND ELBERTA PEACHES GROWN IN CALIFORNIA

DETERMINATION RELATIVE TO THE BUDGET OF EXPENSES AND THE FIXING OF RATES OF ASSESSMENT FOR THE 1947–48 SEASON

Notice was published in the FEDERAL REGISTER (12 F. R. 3033), dated May 7, 1947, that consideration was being given to proposals regarding the budget of expenses and the fixing of the rates of assessment for the 1947–48 season under the marketing agreement, as amended, and Order No. 36, as amended (7 CFR, Cum. Supp., 936.1 et seq.), regulating the handling of fresh Bartlett pears, plums, and Elberta peaches grown in the State of California. This regulatory program is effective under the Agricultural Marketing Agreement Act of 1937, as amended. After consideration of all relevant matters presented, including the proposals set forth in the aforesaid notice which were submitted by the Control Committee (established pursuant to said marketing agreement and order), it is hereby found and determined that:

§ 936.201 *Budget of expenses and rates as assessment for the 1947–48 season—*(a) *Rate of assessment for general overhead expenses.* The general overhead expenses necessary to be incurred by the Control Committee and each of the commodity committees, established pursuant to the provisions of the aforesaid amended marketing agreement and order, for the maintenance and functioning of the said committees for the season beginning April 1, 1947, and ending March 31, 1948, both dates inclusive, will amount to $40,910.00, and the rate of assessment to be paid by each handler who handles fruit shall be nine mills ($0.009) per hundred pounds of fruit handled by such handler during said season; and such rate of assessment is hereby approved as each such handler's pro rata share of the aforesaid expenses.

(b) *Rate of assessment for additional expenses.* The additional expenses necessary to be incurred, during the aforesaid season, by the respective commodity committees in administering the regulation of shipments of fruit pursuant to sections 3, 4, and 5 of the amended marketing agreement and §§ 936.3 to 936.5, both inclusive, of the amended order, will be in the following amounts:

(1) To be incurred by the Bartlett Pear Commodity Committee: $1,390.00;

(2) To be incurred by the Plum Commodity Committee: $1,315.00;

(3) To be incurred by the Elberta Peach Commodity Committee: $645.00; and

the rate of assessment for such additional expenses to be paid, in accordance with the aforesaid amended marketing agreement and order, by each handler who handles fruit with respect to which regulations are made effective during said season shall be one mill ($0.001) per hundred pounds of fruit so handled; and such rate of assessment is hereby approved as each such handler's pro rata share of the aforesaid expenses.

(c) *Effective date.* Compliance with the 30-day effective date requirement of the Administrative Procedure Act (Pub. Law 404, 79th Cong.; 60 Stat. 237) is impracticable, unnecessary, and contrary to the public interest in that (1) the respective rates of assessment are applicable to all fresh Bartlett pears, plums, and Elberta peaches shipped during the aforesaid season; (2) the fruit season in California is somewhat earlier than usual this year; (3) the shipment of plums was begun during the week beginning May 11, and nine regulations have already been placed in effect; (4) it is expected that the first shipments of Early Elberta peaches will begin about June 20; (5) initial shipments of Bartlett pears are expected during the first week in July; and (6) in order for the aforesaid necessary assessments to be collected, it is essential that the specification of the assessment rates be issued immediately so as to enable the said Control Committee and commodity committees to perform their duties and functions under said amended marketing agreement and order.

As used herein, the terms "handler," "handle," "fruit," "shipped," and "shipments" shall have the same meaning as is given to each such term in the said amended marketing agreement and order.

(48 Stat. 31, as amended; 7 U. S. C. 601 et seq.; 7 CFR, Cum. Supp., 936.8 et seq.)

Done at Washington, D. C., this 26th day of June 1947.

[SEAL] CLINTON P. ANDERSON,
Secretary.

[F. R. Doc. 47–6205; Filed, July 1, 1947; 8:47 a. m.]

Chapter XXI—Organization, Functions and Procedure

Subchapter C—Production and Marketing Administration

PART 2301—OFFICE OF THE ADMINISTRATOR

ORGANIZATION

Section 2301.1 (b) *Office of the Administrator* (11 F. R. 177A–258) is amended in the following respects:

1. Subparagraph (1) is revised to read as follows:

(1) *The Administrator.* Under the general direction of the Secretary, the Administrator is responsible for the formulation and administration of all programs assigned to the Production and Marketing Administration. Authority is delegated to the Deputy Administrator to act for and on behalf of the Administrator. Authority is delegated to the Assistant Administrators to act on behalf of and for the Administrator except with respect to authorities which are restricted from redelegation.

2. The following subparagraph (1a) is inserted between subparagraphs (1) and (2):

(1a) *Deputy Administrator.* Under the general direction of the Administrator, the Deputy Administrator (who is a Vice-President of Commodity Credit Corporation), is assigned general responsibility for all activities of the Administration.

(R. S. 161, secs. 3, 12, 60 Stat. 238, 244; 5 U. S. C. 22)

Dated: June 26, 1947.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agricultu[illegible].

[F. R. Doc. 47–6187; Filed, July 1, 1947; 8:48 a. m.]

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket No. 5159]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

EMMETT J. SMITH AND DAUGHTER, ETC.

§ 3.6 (a) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Government connection:* § 3.6 (a) *Advertising*

falsely or misleadingly—Business status, advantages or connections of advertiser—Organization and operation: § 3.6 (a) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Producer status of dealer or seller—Breeder and hatcher:* § 3.6 (a) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Stock, product or service:* § 3.6 (j) *Advertising falsely or misleadingly—Government approval, connection or standards—Government indorsement:* § 3.6 (j 10) *Advertising falsely or misleadingly—History of product or offering:* § 3.6 (l) *Advertising falsely or misleadingly—Indorsements, approval and testimonials:* § 3.6 (t) *Advertising falsely or misleadingly—Qualities or properties of product or service:* § 3.18 *Claiming indorsements or testimonials falsely or misleadingly.* I. In connection with the offering for sale, sale, and distribution of chickens and baby chicks or other poultry in commerce, (1) representing, directly or by implication, that respondents are U. S. Record of Performance breeders or R. O. P. poultry breeders or that they operate a poultry plant under the supervision of an official from the agency supervising U. S. Record of Performance work; (2) representing, directly or by implication, that respondents own, operate, or control a hatchery wherein their baby chicks are produced when in fact such chicks are procured from various hatcheries for resale by respondents to their customers; (3) representing, directly or by implication, that respondents' baby chicks are produced from or sired by U. S. Record of Performance males unless the chicks so offered for sale have been actually sired by males which have been officially banded with U. S. R. O. P. sealed and numbered official leg bands and duly resigtered as such; or, (4) using the term "U. S. Approved" or any other term of similar import or meaning or any other official terminology of the National Poultry Improvement Plan, to designate or describe chickens or baby chicks sold by the respondents; and, II., in connection with the offering for sale, sale, and distribution of respondents' medicinal preparations known as "Save'm" and "Va-Po-Spra", or any other preparations of substantially similar composition or possessing substantially similar properties, whether sold under the same name or any other name, disseminating, etc., any advertisements by means of the United States mails, or in commerce, or by any means to induce, etc., directly or indirectly, the purchase in commerce, etc., of respondents' preparations, which advertisements represent directly or by implication, (a) that respondents' preparation Save'm has any therapeutic value in the treatment of diarrhea, coccidiosis, typhoid, cholera, worms, or paralysis in poultry or that it has any therapeutic value in the treatment of blackhead in turkeys or that the use of said preparation will prevent poultry or turkeys from contracting any of said ailments or conditions; (b) that respondents' preparation Va-Po-Spra is a competent or effective treatment for bronchitis, brooder pneumonia, gapes, colds, tracheitis, roup, canker, pox, or sore head in poultry or that its use will prevent chickens and turkeys from contracting any of said ailments or conditions; (c) that respondents' preparation Va-Po-Spra will kill a sufficient number of disease germs in or about the premises used or frequented by poultry so as to afford any significant protection to poultry; (d) that the use of respondents' preparation Va-Po-Spra is effective in preventing or combating respiratory ailments in dogs or that it has any value in the treatment of distemper or pneumonia; (e) that respondents' preparation Va-Po-Spra will be effective in preventing or combating respiratory ailments in man; (f) that respondents' preparation Va-Po-Spra constitutes a cure or remedy for colds, asthma, or hay fever or that it has any value in the treatment thereof; or, (g) that respondents' preparation Va-Po-Spra will be effective in relieving pain incident to burns, bee stings, insect bites, or sunburn; prohibited. (Sec. 5, 38 Stat. 719, as amended by sec. 3, 52 Stat. 112; 15 U. S. C., sec. 45b) [Cease and desist order, Emmett J. Smith and Daughter, etc., Docket 5159, May 5, 1947]

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 5th day of May A. D. 1947.

In the Matter of Emmett J. Smith and Sarah Alma Maxwell, Individuals Trading as Emmett J. Smith and Daughter, Smith Baby Chix, and Emmett J. Smith and Daughter Poultry Farms

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission as amended, answer of the respondents, testimony and other evidence in support of and in opposition to the allegations of said complaint taken before a trial examiner of the Commission theretofore duly designated by it, report of the trial examiner upon the evidence, and brief in support of the complaint (no brief having been filed by respondents or oral argument requested), and the Commission having made its findings as to the facts and conclusion that the respondents have violated the provisions of the Federal Trade Commission Act:

I. *It is ordered*, That the respondents, Emmett J. Smith and Sarah Alma Maxwell, individually and trading as Emmett J. Smith and Daughter, Smith Baby Chix, or Emmett J. Smith and Daughter Poultry Farms, or trading under any other trade name, and their respective representatives, agents, and employees, directly or through any corporate or other device in connection with the offering for sale, sale, and distribution of chickens and baby chicks or other poultry in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, that respondents are U. S. Record of Performance breeders or R. O. P. poultry breeders or that they operate a poultry plant under the supervision of an official from the agency supervising U. S. Record of Performance work.

2. Representing, directly or by implication, that respondents own, operate, or control a hatchery wherein their baby chicks are produced when in fact such chicks are procured from various hatcheries for resale by respondents to their customers.

3. Representing, directly or by implication, that respondents' baby chicks are produced from or sired by U. S. Record of Performance males unless the chicks so offered for sale have been actually sired by males which have been officially banded with U. S. R. O. P. sealed and numbered official leg bands and duly registered as such.

4. Using the term "U. S. Approved" or any other term of similar import or meaning or any other official terminology of the National Poultry Improvement Plan, to designate or describe chickens or baby chicks sold by the respondents.

II. *It is further ordered*, That the respondents, Emmett J. Smith and Sarah Alma Maxwell, individually and trading as Emmett J. Smith and Daughter, Smith Baby Chix, or Emmett J. Smith and Daughter Poultry Farms, or trading under any other trade name, and their respective agents, representatives, and employees, directly or through any corporate or other device in connection with the offering for sale, sale, or distribution of their medicinal preparation known as "Save'm" and "Va-Po-Spra," or any other preparations of substantially similar composition or possessing substantially similar properties, whether sold under the same name or any other name, do forthwith cease and desist from directly or indirectly:

1. Disseminating or causing to be disseminated any advertisement by means of the United States mails or by any means in commerce as "commerce" is defined in the Federal Trade Commission Act, which advertisement represents directly or by implication:

a. That respondents' preparation Save'm has any therapeutic value in the treatment of diarrhea, coccidiosis, typhoid, cholera, worms, or paralysis in poultry or that it has any therapeutic value in the treatment of blackhead in turkeys or that the use of said preparation will prevent poultry or turkeys from contracting any of said ailments or conditions.

b. That respondents' preparation Va-Po-Spra is a competent or effective treatment for bronchitis, brooder pneumonia, gapes, colds, tracheitis, roup, canker, pox, or sore head in poultry or that its use will prevent chickens and turkeys from contracting any of said ailments or conditions.

c. That respondents' preparation Va-Po-Spra will kill a sufficient number of disease germs in or about the premises used or frequented by poultry so as to afford any significant protection to poultry.

d. That the use of respondents' preparation Va-Po-Spra is effective in preventing or combating respiratory ailments in dogs or that it has any value in the treatment of distemper or pneumonia.

e. That respondents' preparation Va-Pro-Spra will be effective in preventing

or combating respiratory ailments in man.

f. That respondents' preparation Va-Po-Spra constitutes a cure or remedy for colds, asthma, or hay fever or that it has any value in the treatment thereof.

g. That respondents' preparation Va-Po-Spra will be effective in relieving pain incident to burns, bee stings, insect bites, or sunburn.

2. Disseminating or causing to be disseminated any advertisement by any means for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase in commerce as "commerce" is defined in the Federal Trade Commission Act of respondents' preparations, which advertisement contains any of the representations prohibited in subparagraph 1 of paragraph II hereof or the subdivisions thereof.

III. *It is further ordered*, That the respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with this order.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 47-6190; Filed, July 1, 1947; 8:48 a. m.]

[Docket No. 5280]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

ENERGETIC WORSTED CORP. ET AL.

§ 3.6 (c) *Advertising falsely or misleadingly—Composition of goods:* § 3.6 (cc) *Advertising falsely or misleadingly—Source or origin—Place—Foreign, in general:* § 3.66 (a 7) *Misbranding or mislabeling—Composition:* § 3.66 (k) *Misbranding or mislabeling—Source or origin—Place—Foreign, in general:* § 3.96 (a) *Using misleading name—Goods—Composition:* § 3.96 (a) *Using misleading name—Goods—Source or origin—Place—Foreign, in general.* In connection with the offering for sale, sale and distribution of knitting yarns in commerce, and on the part of respondent Spinnerin Yarn Company, Inc., and its officers, etc., (1) using the word "Shetland", or any simulation thereof, either alone or in connection with other words, to designate, describe, or refer to any product which is not composed entirely of wool of Shetland sheep raised on the Shetland Islands or the contiguous mainland of Scotland; (2) using the word "Cashmere", or any simulation thereof, either alone or in connection with other words, to designate, describe, or refer to any product which is not composed entirely of hair of the Cashmere goat; (3) using the word "Saxony", or any simulation thereof, either alone or in connection with other words, to designate, describe, or refer to any product not imported from the Province of Saxony or made of wool imported from said Province; or (4) using the word "Astrachan", or any simulation thereof, either alone or in connection with other words, to designate, describe, or refer to any product not imported from the City of Astrachan on the Volga Basin in Russia or made of wool imported from said city; prohibited, subject to the provisions, however, as respects said four prohibitions, that in the case of a product composed in part of the particular wool concerned and in part of other fibers or materials, the word concerned may be used as descriptive of the Shetland wool content, the Cashmere fiber content, the content imported from Saxony, or the content imported from Astrachan, if there are used in immediate connection therewith, in letters of at least equal conspicuousness, words truthfully describing such other constituent fibers or materials. (Sec. 5, 38 Stat. 719, as amended by sec. 3, 52 Stat. 112; 15 U. S. C., sec. 45b) [Cease and desist order, Energetic Worsted Corporation et al., Docket 5280, May 5, 1947]

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 5th day of May A. D. 1947.

In the Matter of Energetic Worsted Corporation, a Corporation, Spinnerin Yarn Company, Inc., a Corporation, and John J. Hosey, Jr., Edna M. McManus, Dorothy H. Cassel and Edna J. Hosey, Individually and as Copartners Trading and Doing Business as Norr-Bridge Yarn Company

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answers of the respondents, testimony and other evidence introduced before a trial examiner of the Commission theretofore duly designated by it, report of the trial examiner and the exceptions thereto, and briefs in support of and in opposition to the complaint (oral argument not having been requested) and the Commission having made its findings as to the facts and its conclusion that respondent Spinnerin Yarn Company, Inc., has violated the provisions of the Federal Trade Commission Act:

It is ordered, That respondent Spinnerin Yarn Company, Inc., a corporation, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of knitting yarns in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the word "Shetland", or any simulation thereof, either alone or in connection with other words, to designate, describe, or refer to any product which is not composed entirely of wool of Shetland sheep raised on the Shetland Islands or the contiguous mainland of Scotland: *Provided, however*, That in the case of a product composed in part of wool of Shetland sheep and in part of other fibers or materials, such word may be used as descriptive of the Shetland wool content if there are used in immediate connection therewith, in letters of at least equal conspicuousness, words truthfully describing such other constituent fibers or materials.

2. Using the word "Cashmere", or any simulation thereof, either alone or in connection with other words, to designate, describe, or refer to any product which is not composed entirely of hair of the Cashmere goat: *Provided, however*, That in the case of a product composed in part of hair of the Cashmere goat and in part of other fibers or materials, such word may be used as descriptive of the Cashmere fiber content if there are used in immediate connection therewith, in letters of at least equal conspicuousness, words truthfully describing such other constituent fibers or materials.

3. Using the word "Saxony", or any simulation thereof, either alone or in connection with other words, to designate, describe, or refer to any product not imported from the Province of Saxony or made of wool imported from said Province: *Provided, however*, That in the case of a product composed in part of wool imported from Saxony and in part of other fibers or materials, such word may be used as descriptive of the content imported from Saxony if there are used in immediate connection therewith, in letters of at least equal conspicuousness, words truthfully describing such other constituent fibers or materials.

4. Using the word "Astrachan", or any simulation thereof, either alone or in connection with other words, to designate, describe, or refer to any product not imported from the City of Astrachan on the Volga Basin in Russia or made of wool imported from said city: *Provided, however*, That in the case of a product composed in part of wool imported from Astrachan and in part of other fibers or materials, such word may be used as descriptive of the content imported from Astrachan if there are used in immediate connection therewith, in letters of at least equal conspicuousness, words truthfully describing such other constituent fibers or materials.

It is further ordered, That said respondent shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with this order.

It is further ordered, That the complaint herein be, and it hereby is, dismissed as to respondent Energetic Worsted Corporation and as to respondents John J. Hosey, Jr., Edna M. McManus, Dorothy H. Cassel and Edna J. Hosey, copartners, trading as Norr-Bridge Yarn Company.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 47-6188; Filed, July 1, 1947; 8:48 a. m.]

[Docket No. 5436]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

DRAPER CORP.

§ 3.39 *Dealing on exclusive and tying basis:* § 3.45 (c) *Discriminating in price—Direct discrimination—Charges and prices.* In connection with the sale,

or any contract for the sale, of bobbins, shuttles, or any repair and replacement parts for any looms in commerce; (1) entering into or continuing in operation or effect any contract for the sale of bobbins, shuttles, or repair and replacement parts for any looms, upon or containing any condition, agreement, or understanding that a purchaser shall not use or deal in bobbins, shuttles, or repair and replacement parts for looms of a competitor or competitors of respondent; or (2) discriminating between purchasers of bobbins, shuttles, or repair and replacement parts for looms by the sale thereof at different prices or on different terms or conditions, where such different prices, terms, or conditions are based on any agreement, condition, or understanding that a purchaser shall deal exclusively with or obtain all or substantially all of his requirements of bobbins, shuttles, or repair and replacement parts for any looms from respondent; prohibited. (Sec. 2 (a), 49 Stat. 1526; 15 U. S. C., sec. 13 (a); sec. 3, 38 Stat. 731; 15 U. S. C., sec. 14; sec. 5, 38 Stat. 719, as amended by sec. 3, 52 Stat. 112; 15 U. S. C., sec. 45b) [Cease and desist order, Draper Corporation, Docket 5436, May 5, 1947]

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 5th day of May A. D. 1947.

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the amended answer of the respondent, and the Commission having made its findings as to the facts and conclusions of law: (1) That said respondent has violated the provisions of section 2 (a) of the act of Congress approved October 15, 1914, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," as amended by section 1 of any act of Congress entitled "An act to amend section 2 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes' approved October 15, 1914, as amended (U. S. C. Title 15, sec. 13), and for other purposes", approved June 19, 1936; (2) that said respondent has violated the provisions of section 3 of said act of Congress approved October 15, 1914, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes"; and (3) that said respondent has violated the provisions of the Federal Trade Commission Act:

It is ordered, That the respondent, Draper Corporation, a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the sale, or any contract for the sale, of bobbins, shuttles, or any repair and replacement parts for any looms in commerce, as "commerce" is defined in the Clayton Act and the Federal Trade Commission Act, do forthwith cease and desist from:

1. Entering into or continuing in operation or effect any contract for the sale of bobbins, shuttles, or repair and replacement parts for any looms, upon or containing any condition, agreement, or understanding that a purchaser shall not use or deal in bobbins, shuttles, or repair and replacement parts for looms of a competitor or competitors of respondent.

2. Discriminating between purchasers of bobbins, shuttles, or repair and replacement parts for looms by the sale thereof at different prices or on different terms or conditions, where such different prices, terms, or conditions are based on any agreement, condition, or understanding that a purchaser shall deal exclusively with or obtain all or substantially all of his requirements of bobbins, shuttles, or repair and replacement parts for any looms from respondent.

It is further ordered, That the respondent shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with this order.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 47-6189; Filed, July 1, 1947; 8:48 a. m.]

TITLE 24—HOUSING CREDIT

Chapter IV—Home Owners' Loan Corporation

[Bulletin 428]

PART 401—GENERAL

MISCELLANEOUS AMENDMENTS

Amending Part 401, Chapter IV, Title 24 of the Code of Federal Regulations. Sections 401.05–1, 401.05–2, 401.10–20 and 401.12–4 (b) are amended to read as follows:

§ 401.05–1 *Who may order; cost limits.* Credit reports may be ordered from established and approved credit agencies by the Regional Manager or Regional Counsel, or by brokers when such credit reports are permitted or required by the regulations or are necessary in the business of the Corporation. The cost of such reports shall not exceed one dollar per report, except as is otherwise provided herein. Credit agencies must be approved by the General Manager or the Regional Manager, and notice of such approval shall be filed with the Comptroller.

§ 401.05–2 *Additional costs.* The General Manager may authorize compensation not exceeding two dollars per report to approved credit agencies in localities where such reports can not be obtained at a lower cost, and shall file with the Comptroller and with the Auditor a schedule of fees in excess of one dollar per report which are authorized generally for any locality; and such reports may be ordered within the limits of such schedules by the officers or brokers mentioned in the preceding section.

§ 401.10–20 *Charges, how paid.* All charges for services obtained on Government Transportation Requests will be paid only on bills to be rendered by the carrier to the Corporation. The carbon copies of the Transportation Requests shall be attached to Standard Form No. 1012 and, upon approval of the proper authority in accordance with the instructions herein contained, shall be forwarded to the Comptroller.

§ 401.12–4 *Variations in quantity.* * * *

(b) Except as otherwise provided herein, the Regional Manager or the Secretary may certify as to receipt of, and administratively approve vouchers for, supplies, equipment, or services performed under contracts for recurring services, where such purchases and contracts have been authorized previously by the General Manager. Such vouchers shall be transmitted directly to the Comptroller.

Effective: July 1, 1947.

(Secs. 4 (a) and 4 (k), 48 Stat. 129, 132, 643, 647; 12 U. S. C. and Sup. 1463; E. O. 9070, Feb. 24, 1942, 3 CFR Cum. Supp.)

[SEAL] J. FRANCIS MOORE, *Secretary.*

[F. R. Doc. 47-6195; Filed, July 1, 1947; 8:49 a. m.]

[Bulletin 429]

PART 402—LOANS AND PROPERTIES

MISCELLANEOUS AMENDMENTS

Amending Part 402, Chapter IV, Title 24 of the Code of Federal Regulations. The sixth unlettered paragraph of § 402.08–3, the third paragraph of § 402.08–4, and § 402.23–1 are amended to read as follows:

§ 402.08–3 *Processing advances for reconditioning under § 402.08–2* (a) * * *

When the home owner informs the Corporation of the satisfactory completion of the work and furnishes the necessary forms, properly executed, the Analysis and Real Estate Section shall prepare and process a voucher for payment of the work performed by the contractor, provided that the amount of such voucher shall not exceed the amount of the advance, assemble all papers, and transmit with Form R–18 to the Comptroller for certification and disbursement. Any unexpended portion of the advance shall be credited to the home owner's account. With the advice of the Regional Counsel, the Regional Manager may direct that the funds advanced by the Corporation be made payable to both the contractor and the home owner.

§ 402.08–4 *Processing advances for reconditioning under § 402.08–2* (b) * * *

Upon completion of the reconditioning and its acceptance by the home owner and by the Corporation, and after review by the Legal Department, if required, the Analysis and Real Estate Section shall prepare the proper vouchers for payment of the work and services performed, assemble all papers and transmit with Form R–18 to the Comptroller for certification and disbursement. Any unexpended portion of the advance shall be credited to the home owner's account.

§ 402.23–1 *Schedule of broker's fees.* The schedule of fees or compensation to be paid to brokers for the sale, rental, and management of properties shall be fixed by the General Manager and, in specific cases, he may direct the payment of fees in amounts in excess of, or less than, those provided in any such schedule. Approved schedules of fees shall be filed with the Comptroller and Auditor.

(Secs. 4 (a) and 4 (k), 48 Stat. 129, 132, 643, 647; 12 U. S. C. and Sup. 1463. E. O. 9070, Feb. 24, 1942, 3 CFR Cum. Supp.)

Effective: July 1, 1947.

[SEAL] J. FRANCIS MOORE, *Secretary.*

[F. R. Doc. 47–6196; Filed, July 1, 1947; 8:49 a. m.]

Chapter VIII—Office of Housing Expediter

[Priorities Reg. 1, as Amended Mar. 4, 1947, Amdt. 2]

PART 803—PRIORITIES REGULATIONS UNDER VETERANS' EMERGENCY HOUSING ACT OF 1946

Section 803.10 *Priorities Regulation 1* (formerly §§ 944.1 through 944.20), as amended March 4, 1947, is amended in the following respects:

1. Paragraph (f) (2) is amended to read as follows:

(2) The above preference ratings were generally assigned as follows:

(i) The AAA rating was assigned in emergencies under existing procedures until March 31, 1947; and the RRR rating was assigned until June 30, 1947, in extreme emergencies and where an RR rating was inadequate. Some of the AAA ratings outstanding at the end of March 1947, expired at that time under the terms of Priorities Regulation 35.

(ii) The MM rating has in the past been assigned by the Army and Navy and other military and governmental agencies in accordance with the provisions of Directive 41 and other CPA directives issued from time to time. These directives have been revoked and no additional MM ratings will be assigned in the future. Revocation of these directives did not affect the validity of any ratings which were assigned under them before their revocation. However, some of these ratings expired at the end of March 1947, under the terms of Priorities Regulation 35.

(iii) The CC rating was assigned until March 31, 1947, as described in Priorities Regulation 28; and the RR rating was assigned before or after the end of March as described in Priorities Regulation 28 and Supplement 1 of that regulation. That regulation and supplement described the limited conditions under which the CC or RR ratings were assigned. Many of the CC ratings outstanding at the end of March 1947 expired at that time under the terms of Priorities Regulation 35.

(iv) The HHH and HH ratings were assigned for housing under the rules explained in Priorities Regulation 33. These ratings were not affected in any way by Priorities Regulation 35, but Amendment 1 to Schedule A to Priorities Regulation 33, March 31, 1947, established cut-off dates with respect to the placing of HH rated orders.

(60 Stat. 207; 50 U. S. C. App. Sup. 1821; Housing and Rent Act of 1947)

Issued this 30th day of June 1947.

OFFICE OF THE HOUSING EXPEDITER,
By JAMES V. SARCONE,
Authorizing Officer.

[F. R. Doc. 47–6258; Filed, June 30, 1947; 5:11 p. m.]

[Priorities Reg. 4 as Amended Jan. 27, 1947, Amdt. 4]

PART 803—PRIORITIES REGULATIONS UNDER VETERANS' EMERGENCY HOUSING ACT OF 1946

CERTIFICATES AND DIRECTIVES FOR SURPLUS MATERIALS AND EQUIPMENT

Section 803.4 *Housing Expediter Priorities Regulation 4*, as amended January 27, 1947, is amended in the following respects:

1. Paragraph (q), which provides for the issuance of Housing Expediter directives, is deleted.

2. After paragraph (x), add a new paragraph (y) to read as follows:

(y) *Termination date.* This section became effective September 13, 1946 to provide special assistance, in the form of Housing Expediter certificates and directives, to qualified persons in obtaining surplus government materials and equipment which were needed for the housing program. The right to apply for Housing Expediter certificates or for the renewal of such certificates was suspended effective May 1, 1947, by Amendment 1 to this section. Issuance of Housing Expediter directives is suspended by this amendment.

This section shall terminate on June 30, 1947, except that:

(1) Housing Expediter directives issued under this section prior to the date of this amendment shall continue to be valid;

(2) Outstanding Housing Expediter certificates issued under this section shall continue to be valid until they have expired; and

(3) This amendment does not affect any liabilities incurred for violations of this section or for violations of orders issued by the Housing Expediter under this section.

(60 Stat. 207; 50 U. S. C. App. Sup. 1821; Housing and Rent Act of 1947)

Issued this 30th day of June 1947.

OFFICE OF THE HOUSING EXPEDITER,
By JAMES V. SARCONE,
Authorizing Officer.

[F. R. Doc. 47–6260; Filed, June 30, 1947; 5:11 p. m.]

[Priorities Reg. 7, Amdt. 2]

PART 803—PRIORITIES REGULATIONS UNDER VETERANS' EMERGENCY HOUSING ACT OF 1946

SALE AND REMOVAL OF SURPLUS GOVERNMENT INSTALLATIONS

Section 803.7 *Housing Expediter Priorities Regulation 7* is amended in the following respect:

1. Paragraph (w) is amended to read as follows:

(w) *Effective date.* This section became effective February 17, 1947 to provide for the sale and removal of certain surplus government installations and the channeling of the resulting structures, materials and equipment into the housing program. This section shall terminate on June 30, 1947, except that:

(1) Structures, materials and equipment publicly advertised under this section prior to the date of this amendment for sale after that date shall be sold in accordance with the provisions of this section.

(2) Structures, materials and equipment acquired under this section shall be used or disposed of in accordance with the provisions of this section.

(3) This amendment does not affect any liabilities incurred for violation of this section or for violations of orders issued by the Housing Expediter under this section.

(60 Stat. 207; 50 U. S. C. App. Sup. 1821; Housing and Rent Act of 1947)

Issued this 30th day of June 1947.

OFFICE OF THE HOUSING EXPEDITER,
By JAMES V. SARCONE,
Authorizing Officer.

[F. R. Doc. 47–6259; Filed, June 30, 1947; 5:11 p. m.]

[Priorities Reg. 28, as amended May 9, 1947, Amdt. 1]

PART 803—PRIORITIES REGULATIONS UNDER VETERANS' EMERGENCY HOUSING ACT OF 1946

RESTRICTED PRIORITIES ASSISTANCE

1. After paragraph (h), add a new paragraph (i) to read as follows:

(i) *Termination date.* This section, as amended, became effective May 9, 1947 to provide for special assistance in the form of RR ratings for producers of certain critical building products. Issuance of RR ratings is suspended by this amendment.

This section shall terminate on June 30, 1947, except that:

(1) Outstanding RR preference ratings shall continue to be valid.

(2) Materials and equipment obtained with RR ratings shall be used if possible for the production of the specific item or items for which the assistance was granted. If it becomes impossible to use the materials and equipment in the kind of production for which the assistance was given, they may be used for the production of any of the housing items listed

on Schedule A to PR-33.[1] If even this use is impossible, an appeal for relief may be made in accordance with the Appeals Order.[2]

(3) This amendment does not affect any liabilities incurred for violations of this section or for violations of orders issued by the Civilian Production Administration, Office of Temporary Controls or the Office of the Housing Expediter under this section.

(60 Stat. 207; 50 U. S. C. App. Sup. 1821; Housing and Rent Act of 1947)

Issued this 30th day of June 1947.

OFFICE OF THE HOUSING EXPEDITER,
By JAMES V. SARCONE,
Authorizing Officer.

[F. R. Doc. 47-6256; Filed, June 30, 1947; 5:11 p. m.]

[Priorities Reg. 28, Direction 25, as Amended Apr. 29, 1947, Amdt. 1]

PART 803—PRIORITIES REGULATIONS UNDER VETERANS' EMERGENCY HOUSING ACT OF 1946

PRIORITIES ASSISTANCE FOR MERCHANT PIG IRON, FOR CAST IRON SOIL PIPE AND CAST IRON SOIL FITTINGS

Direction 25 to Priorities Regulation 28, as amended April 29, 1947, is hereby amended in the following respect:

1. After paragraph (e), add a new paragraph (f) to read as follows:

(f) *Termination date.* This direction, as amended, became effective April 29, 1947, to provide special assistance in the form of authorization to producers of cast iron soil pipe and fittings to place certified orders for pig iron. Issuance of such authorization is suspended by this amendment.

This direction shall terminate on June 30, 1947 except that:

(1) Outstanding certified orders shall continue to be valid;

(2) Pig iron obtained under this direction shall be used in accordance with the provisions of this direction; and

(3) This amendment does not affect the right to institute or maintain enforcement actions for any liabilities incurred for violations of this direction or for violations of orders issued by the Civilian Production Administration, Office of Temporary Controls or the Office of the Housing Expediter under this direction.

(60 Stat. 207; 50 U. S. C. App. Supp. 1821; Housing and Rent Act of 1947)

Issued this 30th day of June 1947.

OFFICE OF THE HOUSING EXPEDITER,
By JAMES V. SARCONE,
Authorizing Officer.

[F. R. Doc. 47-6257; Filed, June 30, 1947; 5:11 p. m.]

[Veterans' Housing Program Order 1, Revocation]

PART 809—VETERAN'S HOUSING PROGRAM ORDERS

GENERAL RESTRICTION ON CONSTRUCTION AND REPAIRS

Veterans' Housing Program Order 1, and the supplements and directions to that order, are revoked effective June 30, 1947, simultaneously with the approval by the President of the Housing and Rent Act of 1947.

However, all authorizations granted under Veterans' Housing Program Order 1 to do work which is covered by the Construction Limitation Regulation (issued under the Housing and Rent Act of 1947, and effective simultaneously with this revocation) remain in full force and effect. All the restrictions imposed upon persons granted such authorizations also remain in full force and effect, in accordance with § 812.1 (t) and (u) of the Construction Limitation Regulation.[1] The Construction Limitation Regulation covers construction work on "structures to be used for recreational or amusement purposes," as defined in that regulation.

This revocation does not affect any liabilities incurred for violation of Veterans' Housing Program Order 1 or any of its supplements or directions; or for violation of any actions taken by the Civilian Production Administration, Office of Temporary Controls, or Office of the Housing Expediter under said order, supplements, or directions.

(60 Stat. 207; 50 U. S. C. App. Sup. 1821; Housing and Rent Act of 1947.)

Issued this 30th day of June 1947.

OFFICE OF THE HOUSING EXPEDITER,
By JAMES V. SARCONE,
Authorizing Officer.

[F. R. Doc. 47-6254; Filed, June 30, 1947; 12:55 p. m.]

[Veterans' Housing Program Orders 3, 4 and 5, Revocation]

PART 809—VETERANS' HOUSING PROGRAM ORDERS

The following orders are hereby revoked:

Veterans' Housing Program Order 3, Cast Iron Soil Pipe—Use Restriction.

Veterans' Housing Program Order 4, Production Restriction on Cast Iron Soil Pipe and Fittings.

Veterans' Housing Program Order 5, Delivery Restriction on Douglas Fir and Western Pine Shop Lumber.

This revocation does not affect any liabilities incurred for violation of any of these orders or of any action taken by the Civilian Production Administration, Office of Temporary Controls or the Office of the Housing Expediter under any of these orders.

(60 Stat. 207; 50 U. S. C. App. Sup. 1821)

Issued this 30th day of June 1947.

OFFICE OF THE HOUSING EXPEDITER,
By JAMES V. SARCONE,
Authorizing Officer.

[F. R. Doc. 47-6261; Filed, June 30, 1947; 5:11 p. m.]

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[1] To appear in the issue of Thursday, July 3, 1947.

[Veterans' Preference Reg.]

PART 813—VETERANS' PREFERENCE REGULATION UNDER HOUSING AND RENT ACT OF 1947

§ 813.1 *Veterans' Preference Regulation*—(a) *What this section does.* This section (Veterans' Preference Regulation) explains the preference given to veterans and their families by the Housing and Rent Act of 1947 in the sale or rent of housing accommodations completed between June 30, 1947 and March 31, 1948. Among other things, it determines the manner in which such housing accommodations shall be publicly offered in good faith for sale or rent to veterans and their families.

The veterans' preference requirements for housing accommodations completed on or before June 30, 1947, continue as provided in Priorities Regulation 33, Housing Expediter Priorities Regulation 5 and the Housing Permit Regulation, which ever is applicable.

NOTE: This section of the Code of Federal Regulations, § 813.1, is called the "Veterans' Preference Regulation." When the term "this section" is used in this Veterans' Preference Regulation, it means this entire regulation and not just a part of it. The regulation is divided into paragraphs marked with small letters; these are divided into subparagraphs marked with numbers.

DEFINITIONS

(b) *Definitions.* As used in this section:

(1) The terms "veterans of World War II or their families," "veterans or their families," and "veterans" shall mean:

(i) A person who has served in the active military or naval forces of the United States on or after September 16, 1940, and who has been discharged or released therefrom under conditions other than dishonorable:

(ii) The spouse of a veteran (as described in the preceding subparagraph) who died after being discharged or released from service, if the spouse is living with a child or children of the deceased veteran;

(iii) A person who is serving in the active military or naval forces of the United States requiring housing accommodations for his dependent family;

(iv) The spouse of a person who served in the active military or naval forces of the United States on or after September 16, 1940, and who died in service, if the spouse is living with a child or children of the deceased;

(v) A citizen of the United States who served in the armed forces of an allied nation during World War II (and who has been discharged or released therefrom under conditions other than dishonorable) requiring housing accommodations for his dependent family;

(vi) A person to whom the War Shipping Administration has issued a certificate of continuous service in the United States Merchant Marine who requires housing accommodations for his dependent family; and

(vii) A citizen of the United States who, as a civilian, was interned or held a prisoner of war by an enemy nation at any time during World War II, re-

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[1] 12 F. R. 2118.
[2] 12 F. R. 3740.

quiring housing accommodations for his dependent family.

(2) The term "person" shall include an individual, corporation, partnership, association, or any other organized group of persons, or a legal successor or representative of any of the foregoing.

(3) The time at which construction of housing accommodations shall be deemed to be "completed" shall be the date on which the dwelling is first suitable for occupancy and all utility and service connections have been made, except for the installation of such items and the completion of such decoration work as, in accordance with the custom of the community, are left for installation by, or to the choice of, the purchaser or the tenant.

(4) The term "housing accommodations" shall include any building, structure, or part thereof, or land appurtenant thereto, or any other real or personal property sold or offered for sale or rented or offered for rent for living or dwelling purposes (including houses, apartments, hotels, rooming or boarding house accommodations, and other properties used for living or dwelling purposes for other than transients) together with all privileges, services, furnishings, furniture, and facilities connected with the use or occupancy of such property.

PREFERENCE PERIODS

(c) *Veterans' preference in sale of housing accommodations.* In order to assure preference or priority to veterans of World War II or their families in the sale of housing accommodations designed for a single family residence, the construction of which is completed after June 30, 1947, and prior to March 31, 1948, the folowing rules must be observed:

(1) *30-day veterans' preference period.* No person shall sell, offer to sell, or otherwise dispose of such housing accommodations until 30 days after construction is completed, except for occupancy by veterans or their families.

No person shall purchase such housing accommodations until 30 days after construction is completed, unless such purchase is made in good faith for occupancy, during the time that this section remains in effect, by veterans or their families.

(2) *7-day offer at a price.* No person shall sell, offer for sale, or otherwise dispose of such housing accommodations to a non-veteran at a price less than the price at which the accommodations have been publicly offered for at least 7 days to veterans or their families. No non-veteran shall purchase such housing accommodations at a price less than the price at which the accommodations have been publicly offered for at least 7 days to veterans or their families.

This prohibits a sale or an offer to sell to, or a purchase by, a non-veteran unless the housing accommodations were first publicly offered for sale by the seller or his agent to veterans or their families for 7 days at the same price (or a lower price) than sold or offered for sale to a non-veteran. Any reduction in price (whether during or after the 30-day veterans' preference period provided in subparagraph (1) of this paragraph) requires a public offering exclusively to veterans for at least 7 days at the reduced price.

This subparagraph applies to all sales and offers to sell whether made by the first or subsequent owner or purchaser.

(d) *Veterans' preference in renting of housing accommodations.* In order to assure preference or priority to veterans of World War II or their families in the renting of housing accommodations designed for occupancy by other than transients, the construction of which is completed after June 30, 1947, and prior to March 31, 1948, the following rules must be observed:

(1) *30-day veterans' preference period.* No person shall rent, offer for rent, or otherwise dispose of such housing accommodations until 30 days after construction is completed, except for occupancy by veterans or their families.

No person shall acquire such housing accommodations by rent until 30 days after construction is completed, unless such acquisition by rent is made in good faith for occupancy, during the time that this section remains in effect, by veterans or their families.

(2) *7-day offer at a price.* No person shall rent, offer for rent, or otherwise dispose of such housing accommodations to a non-veteran at a price less than the price at which the accommodations have been publicly offered for at least 7 days to veterans or their families. No non-veteran shall acquire such housing accommodations by rent at a price less than the price at which the accommodations have been publicly offered for at least 7 days to veterans or their families.

This prohibits a renting or offer to rent to, or an acquisition by rent by, a non-veteran unless the housing accommodations were first publicly offered for rent by the landlord or his agent to veterans or their families for 7 days at the same price (or a lower price) than rented or offered for rent to the non-veteran. Any reduction in price (whether during or after the 30-day veterans' preference period provided in subparagraph (1) of this paragraph) requires a public offering exclusively to veterans for 7 days at the reduced price.

This subparagraph applies to all rents, offers to rent, and acquisitions by rent whether made by the first or subsequent landlord or tenant.

PUBLIC OFFERING

(c) *Public offering in good faith.* In order to assure preference or priority to veterans of World War II or their families, all housing accommodations covered by paragraph (c) and (d) of this section which are intended for sale or rent, must, until sold or rented, be publicly offered in good faith, as provided in this section, for sale or rent for occupancy by veterans or their families:

(1) *Period during which offer must be made.* Such public offering in good faith must be made (i) for not less than 30 days (excluding period of construction) immediately following completion of construction, and (ii) for not less than 7 days after any later reduction in offering price. This applies to the first and subsequent sales and rents as long as this section remains in effect.

(2) *Must give veterans reasonable opportunity.* To make a public offering in good faith, the owner must take such affirmative steps as, under the circumstances, will give notice to all veterans or a reasonably large class of veterans in the community that the accommodations are available and will give them a reasonable opportunity to negotiate for them. These affirmative steps include at least those steps which are customary in the community for making a public offering of housing accommodations. The refusal of the owner to sell or rent to a particular veteran for personal reasons, which are in accordance with local law and customary real estate practices in the community, does not by itself necessarily constitute a violation of this public offering requirement. If, however, the owner refuses to sell or rent to veterans whom he does not know to be unqualified or unable to purchase or rent, and then sells or rents to a non-veteran, the owner has violated this section.

(3) *Posting of placards or signs.* A placard or sign must be posted in front of each housing structure, or in a conspicuous location on the site of the construction of the housing accommodations. Such placard or sign must legibly contain the rent or sales price, the fact that the housing accommodations are offered for sale or rent exclusively to veterans or their families for the prescribed period, and the name and address of the person authorized to sell or rent the housing accommodations. If the rent or sales price is reduced after the placard or sign is posted, the price on the placard or sign must be changed accordingly.

(4) *Newspaper advertisement.* Unless already sold or rented to veterans, all such housing accommodations must be publicly advertised exclusively to veterans or their families for at least 3 days during the first 20 days of the 30-day preference period. This advertisement shall be in a newspaper of general circulation in the community where the housing accommodations are located. The advertisement shall contain the same information as required for placards and signs in subparagraph (3) of this paragraph. If a newspaper advertisement is made as provided in this subparagraph, it is not necessary to advertise again in a newspaper during any 7-day public offering period required by subparagraph (1) (ii) of this paragraph, unless newspaper advertising is the customary method in the community of making a public offering of housing accommodations.

MISCELLANEOUS

(f) *Violations and enforcement*—(1) *General.* The veterans' preference requirements of this section shall not be evaded either directly or indirectly. It shall be unlawful for any person to effect, either as principal, broker, or agent, a sale or rent or an agreement for the sale or rent, or to solicit or attempt, offer or agree to make such sale or rent, of any housing accommodations in violation of the veterans' preference requirements of this section. It shall also be unlawful for any such person to sell or rent or agree to sell or rent such

housing accommodations during the veterans' preference periods if he knows or has reason to know that the housing accommodations will not be occupied by veterans or their families, and for any purchaser or tenant to effect or agree to effect a sale or rent for the purpose of evading the veterans' preference requirements of this section.

(2) *Penalties.* Any person who wilfully violates any provision of this section or section 4 of the Housing and Rent Act of 1947, and any person who knowingly makes any statement to any department or agency of the United States, false in any material respect, shall upon conviction thereof be subject to fine or imprisonment, or both. Any such person or any other person who violates any provision of this section may be prohibited or restrained as authorized by law.

(g) *Exceptions.* The veterans' preference requirements set forth in this section are not applicable to:

(1) Housing accommodations which are built to replace a dwelling destroyed or damaged by fire, flood, tornado, or other similar disaster;

(2) Sales of housing accommodations in the course of judicial or statutory proceedings in connection with foreclosures;

(3) The occupancy by an owner, or his building service employee, of a dwelling unit which does not exceed in floor space (i) a normal one family unit in the structure or project, or (ii) 15 percent of the residential floor space of the structure or project.

(4) Sales of any housing accommodations to any person for investment purposes rather than for occupancy by the purchaser; but the purchaser of such housing accommodations is bound by the veterans' preference requirements in this section in renting or selling for occupancy.

(h) *Appeals.* Any person who considers that compliance with any provision of this section would result in a hardship on him may appeal for relief. The appeal shall be in the form of a letter in duplicate and should be filed with the Housing Expediter, Washington 25, D. C., marked "Appeal Veterans' Preference Regulation." The appeal must state clearly the specific provision of this section appealed from and describe the substantial injury which will result from compliance with the section. (Housing and Rent Act of 1947)

Issued this 30th day of June 1947.

OFFICE OF THE HOUSING EXPEDITER,
By JAMES V. SARCONE,
Authorizing Officer.

[F. R. Doc. 47-6255; Filed, June 30, 1947; 5:07 p. m.]

TITLE 32—NATIONAL DEFENSE

Chapter VII—Sugar Rationing Administration, Department of Agriculture

[Gen. Order 7]

PART 705—ADMINISTRATION

EXEMPTIONS FROM PRICE CONTROL OF CERTAIN TRANSACTIONS IN SUGAR

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register and pursuant to the authority conferred upon the Secretary of Agriculture by the Sugar Control Extension Act of 1947, it is ordered:

§ 705.107 *Exemption from price control of certain transactions in sugar.* Notwithstanding the provision of any maximum price regulation, sales, contracts, and the trading in contracts for the sale of raw cane sugars or direct consumption sugars for delivery on and after March 1, 1948, entered into between members of the New York Coffee and Sugar Exchange, and subject to the rules of that Exchange, are exempt from price control. "Raw cane sugars" and "direct consumption sugars" mean "raw cane sugars" and "direct consumption sugars" as defined in Revised Maximum Price Regulation No. 16[1] and Maximum Price Regulation No. 60,[2] respectively.

This General Order shall become effective July 1, 1947.

(Public Law 30, 80th Cong., 1st session)

Issued this 27th day of June 1947.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

Sugar Rationing Administration, Department of Agriculture, Opinion Accompanying General Order 7

The New York Coffee and Sugar Exchange, which has been closed since January 1, 1942, is planning to reopen. The Secretary has informed members of the Exchange that the Agriculture Department has no objection to the reopening of the Exchange for the purpose of permitting members of the Exchange to sell or enter into sales contracts, and trading in contracts, subject to the rules of the Exchange, providing for the delivery of sugar on or after March 1, 1948. In order to permit such trading while sugar remains subject to price control, the accompanying order is issued exempting from price control sales, contracts, and the trading in contracts for raw cane sugars or direct consumption sugars for delivery on and after March 1, 1948, when such transactions are entered into between members of the New York Coffee and Sugar Exchange and subject to the rules of that Exchange.

[F. R. Doc. 47-6292; Filed, July 1, 1947; 11:35 a. m.]

[3d Rev. RO 3,[3] Amdt. 58]

PART 707—RATIONING OF SUGAR

SUGAR

A rationale for this amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.

Third Revised Ration Order 3 is amended in the following respect:

Section 5.5 is amended by adding a new paragraph (c) to read as follows:

(c) This section shall not apply to deliveries of sugar to be made on and after March 1, 1948, pursuant to contracts, agreements, or commitments between members of the New York Coffee and Sugar Exchange, entered into in, and subject to the rules of, said Exchange, and providing for delivery on and after March 1, 1948.

This amendment shall become effective July 1, 1947.

Issued this 27th day of June 1947.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

Rationale Accompanying Amendment No. 58 to Third Revised Ration Order 3

The New York Coffee and Sugar Exchange which has been closed since January 1, 1942 is planning to reopen. The Secretary of Agriculture has informed members of the Exchange that the Agriculture Department has no objection to the reopening of the Exchange for the purpose of permitting members of the Exchange to sell or enter into sales contracts, and trading in contracts, subject to the rules of the Exchange, providing for the delivery of sugar on and after March 1, 1948.

With certain exceptions, the present regulations provide that a person is not permitted to deliver sugar pursuant to a contract, agreement or commitment, regardless of when made, providing for delivery more than three days after the making thereof. Also, a person is prohibited from delivering sugar to fill any order, regardless of when received, calling for delivery more than three days after the receipt of the order.

In order to allow trading in sugar on the Exchange while rationing controls continue, this amendment provides that the general prohibition against future deliveries shall not apply to deliveries of sugar to be made on and after March 1, 1948, pursuant to contracts, agreements, or commitments entered into between members of the New York Coffee and Sugar Exchange, subject to the rules of the Exchange, and providing for delivery on and after March 1, 1948.

[F. R. Doc. 47-6291; Filed, July 1, 1947; 11:34 a. m.]

Chapter IX—Bureau of Foreign and Domestic Commerce, Office of Materials Distribution, Department of Commerce[1]

[Allocation Order M-393, Revocation]

PART 3293—CHEMICALS

Section 3293.113c, *Allocation Order M-393*, is hereby revoked, except as to the reporting provisions of paragraph (f). Paragraph (f) is hereby revoked, effective July 6, 1947.

Use and delivery authorizations issued under the order have no further force and effect.

This revocation does not affect any liabilities incurred for violation of the order or of actions taken under the or-

[1] 10 F. R. 10978; 11 F. R. 1434, 3201, 13694; 12 F. R. 391, 2165.

[2] 10 F. R. 14812; 11 F. R. 1434, 3299, 7036, 13524, 13854, 13695; 12 F. R. 391, 1927, 2165.

[3] 11 F. R. 177, 14281.

[1] Formerly Office of Temporary Controls, Civilian Production Administration.

der by the Civilian Production Administration or the Office of Materials Distribution.

OFFICE OF MATERIALS DISTRIBUTION,
By H. B. McCOY,
Director.

[F. R. Doc. 47-6229; Filed, June 30, 1947; 12:35 p. m.]

TITLE 36—PARKS AND FORESTS

Chapter III—Corps of Engineers, War Department

PART 321—PUBLIC USE OF LAKE TEXOMA AND DENISON RESERVOIR AREA, RED RIVER, OKLAHOMA AND TEXAS

Part 321, including §§ 321.0 to 321.19, inclusive, setting forth rules and regulations governing public use of Lake Texoma and the Denison Reservoir Area, Red River, Oklahoma and Texas, is added as follows:

Sec.
321.0 Determination of the Secretary.
321.1 Areas administered by other Federal agencies.
321.2 Definition of enforcement areas.
321.3 Boats, commercial.
321.4 Boats, private.
321.5 Houseboats.
321.6 Swimming and bathing.
321.7 Fishing.
321.8 Hunting.
321.9 Camping.
321.10 Picnicking.
321.11 Access to water areas.
321.12 Destruction of public property.
321.13 Firearms and explosives.
321.14 Gasoline and oil storage.
321.15 Sanitation.
321.16 Fires.
321.17 Advertisements.
321.18 Unauthorized solicitations and business activities.
321.19 Commercial operations.

AUTHORITY: §§ 321.0 to 321.19, inclusive, issued under 58 Stat. 889, as amended by sec. 4, Pub. Law 526, 79th Cong.; 16 U. S. C. Sup. 460d.

§ 321.0 *Determination of the Secretary.* The Secretary of War, having determined that use of Lake Texoma and Denison Reservoir area by the general public for boating, swimming, bathing, fishing, and other recreational purposes will not be contrary to the public interest and will not be inconsistent with the operation and maintenance of the reservoir for its primary purposes, thereby prescribes the following rules and regulations pursuant to the provisions of section 4 of an act of Congress approved December 22, 1944 (58 Stat. 889; 16 U. S. C. 460d) as amended by section 4 of the Flood Control Act of 1946 (Public Law 526, 79th Congress) for the public use of Lake Texoma and the Denison Reservoir areas.

§ 321.1 *Areas administered by other Federal agencies.* The War Department has basic administrative jurisdiction over the entire Denison Dam and Reservoir Project area; however, arrangements have been made with other Federal agencies whereby those agencies are responsible for managing certain areas in the project area as follows:

(a) *National Park Service Area.* In accordance with a cooperative agreement between the National Park Service, Department of the Interior, and the Chief of Engineers, War Department, approved April 18, 1946, the National Park Service is responsible for and controls all recreational activities to be conducted in the National Park Service Area which includes all the Denison Dam and Reservoir Project area with the exception of the Tishomingo and Hagerman Wildlife Refuge, the Cumberland Oil Field, areas licensed to the States of Texas and Oklahoma, and the area in the immediate vicinity of the Denison Dam. The National Park Service, in accordance with that agreement, is also responsible for the issuance of leases, licenses, permits or other instruments regarding the occupation of lands in the National Park Service area, except such occupation as is necessary in connection with the operation and maintenance of the Denison Dam and Reservoir for its primary purposes, and that Service is authorized to make and enforce such rules and regulations in addition to regulations in this part as may be necessary for the safety and health of the using public and as may be necessary for the conservation of any historic or archeological remains, and for control of all archeological excavation and historic or archeological research within the National Park Service Area.

(b) *Tishomingo and Hagerman National Wildlife Refuges.* Approximately 13,450 acres of land and water areas on the Washita River arm of the Denison Reservoir in Oklahoma and approximately 12,650 acres on the Mineral Creek arm of the reservoir in Texas are reserved for the use of the Department of the Interior as the Tishomingo and Hagerman National Wildlife Refuges in accordance with Public Land Orders 312 and 314. These land orders are published under Title 43—Public Lands: Interior, Chapter I—General Land Office, of the Code of Federal Regulations. The U. S. Fish and Wildlife Service, Department of the Interior, is administering and developing these refuge areas in accordance with laws and regulations governing national wildlife refuges. Use of these areas by the general public for recreation is subject to the prior requirements in administering and developing the areas as wildlife refuges.

§ 321.2 *Definition of enforcement areas.* The functions, responsibilities, and duties, as contemplated by the regulations in this part, to be exercised within the area by either the National Park Service or the District Engineer, Corps of Engineers, shall be performed (a) by the National Park Service within the National Park Service areas as defined in § 321.1 (a), and (b) by the District Engineer, Corps of Engineers, within the remainder of Lake Texoma and the Denison Reservoir area.

§ 321.3 *Boats, commercial.* No boat, barge or other vessel shall be placed upon or operated upon any water of Lake Texoma for a fee or profit, either as a direct charge to a second party or as incident to other services provided to the second part, except as specifically authorized by lease, license, concession contract, or other written agreement with either the National Park Service or the Corps of Engineers on behalf of the United States.

§ 321.4 *Boats, private.* (a) The operation of boats on Lake Texoma for fishing and recreational use is permitted except in prohibited areas designated by the District Engineer, Corps of Engineers, in charge of the area, or the National Park Service.

(b) No privately-owned boat, raft, shooting blind, or other floating structure shall be placed or operated on the waters of Lake Texoma without a permit from the National Park Service.

§ 321.5 *Houseboats.* No houseboat shall be placed or maintained upon the waters of Lake Texoma, nor may any boat be used for permanent living accommodations. In the case of a boat having a paid crew, a member or members of the crew may be permitted to live aboard if necessary for the care and operation of the boat.

§ 321.6 *Swimming and bathing.* Swimming and bathing are permitted except in prohibited areas. Swimming and bathing near the regularly travelled thoroughfares without proper bathing clothes is prohibited.

§ 321.7 *Fishing.* Fishing is permitted in accordance with all applicable Federal, State and local laws and regulations, except in prohibited areas designated by the District Engineer or the National Park Service.

§ 321.8 *Hunting.* (a) Hunting is permitted in accordance with all applicable Federal, State and local laws and regulations except in prohibited areas designated by the District Engineer or the National Park Service.

(b) Hunting shall be with shotgun only.

§ 321.9 *Camping.* Camping is permitted only at areas designated by the National Park Service in accordance with additional rules governing the use of the individual camp areas.

§ 321.10 *Picnicking.* Picnicking is permitted except in prohibited areas designated by the District Engineer or the National Park Service.

§ 321.11 *Access to water areas.* (a) Pedestrian access is permitted along the shores of the lake except in areas designated by the District Engineer or the National Park Service.

(b) Automobile access is permitted only over open public and reservoir roads.

§ 321.12 *Destruction of public property.* The destruction, injury, defacement, or removal of public property or of vegetation, rock, minerals, or relics, except as specifically authorized, is prohibited.

§ 321.13 *Firearms and explosives.* Loaded rifles, loaded pistols and explosives of any kind are prohibited in the area, except when in the possession of a law enforcement officer on official duty or specifically authorized. Loaded shotguns are also prohibited in the area except during the hunting season, when in the possession of a law enforcement

officer on official duty, or when specifically authorized.

§ 321.14 *Gasoline and oil storage.* Gasoline and other inflammable or combustible liquids shall not be stored in, upon, or about the lake or shores thereof without written permission.

§ 321.15 *Sanitation.* Refuse, garbage, rubbish or waste of any kind shall not be thrown on or along roads, picnicking or camping areas, in the reservoir waters or on any of the lands around the reservoir, but shall be burned or buried, or disposed of at designated points or places designed for the sanitary disposal thereof.

§ 321.16 *Fires.* Due diligence shall be exercised in building and putting out fires to prevent damage to trees and vegetation and to prevent forest and grass fires. In areas provided with such facilities, the fireplaces constructed for the convenience of visitors must be used. The building of fires on any lands within the reservoir area may be prohibited or limited when the hazard makes such action necessary.

§ 321.17 *Advertisements.* Private notices and advertisements shall not be posted, distributed, or displayed in the reservoir area except such as the District Engineer or his authorized representative, or the National Park Service, may deem necessary for the convenience and guidance of the public using the area for recreational purposes.

§ 321.18 *Unauthorized solicitations and business activities.* No person, firm or corporation, or their representatives, shall engage in or solicit any business on the reservoir area without permission in writing from the District Engineer, National Park Service, or in accordance with terms of a lease, license, or concession contract with the United States.

§ 321.19 *Commercial operations.* All commercial operations or activities on the waters of the reservoir or on the lands under the control of the War Department around the reservoir shall be in accordance with lease, license, concession contract or other written agreements with the United States.

[Regs. June 9, 1947—ENGWF]

[SEAL] EDWARD F. WITSELL,
Major General,
The Adjutant General.

[F. R. Doc. 47-6178; Filed, July 1, 1947; 8:46 a. m.]

TITLE 49—TRANSPORATION AND RAILROADS

Chapter I—Interstate Commerce Commission

Subchapter A—General Rules and Regulations

[4th Rev. S. O. 180, Amdt. 15]

PART 95—CAR SERVICE

DEMURRAGE ON REFRIGERATOR CARS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 26th day of June A. D. 1947.

Upon further consideration of Fourth Revised Service Order No. 180 (10 F. R. 14970) as amended (11 F. R. 1627, 1991, 3605, 4038, 6983, 9453, 10092, 11707, 12395; 12 F. R. 1421, 3032, 3672, 4028), and good cause appearing therefor: *It is ordered,* That:

Fourth Revised Service Order No. 180, (49 CFR § 95.330), as amended, be, and it is hereby, further amended as follows:

No common carrier by railroad subject to the Interstate Commerce Act shall charge or collect any demurrage on a refrigerator car subject to paragraph (a) (1) of this section for any detention to such a car on the demurrage days of July 4, 5, and 6, 1947.

Effective date. This amendment shall become effective at 7:00 a. m., July 4, 1947.

It is further ordered, That a copy of this order and direction be served upon each State railroad regulatory body and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901; 49 U. S. C. 1 (10)–(17))

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 47-6182; Filed, July 1, 1947; 8:46 a. m.]

[Rev. S. O. 188, Amdt. 13]

PART 95—CAR SERVICE

REFRIGERATOR CAR DEMURRAGE ON STATE BELT RAILROAD OF CALIFORNIA

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 26th day of June A. D. 1947.

Upon further consideration of Revised Service Order No. 188 (10 F. R. 15175) as amended (11 F. R. 1626, 1992, 3605, 4038, 7043, 9453, 10092; 12 F. R. 1420, 3033, 3672, 3673, 4001), and good cause appearing therefor: *It is ordered,* That:

Revised Service Order No. 188 (49 CFR § 95.334), as amended, be, and it is hereby, further amended as follows:

The State Belt Railroad of California shall not charge or collect any demurrage on a refrigerator car subject to paragraph (a) (1) of this section for any detention to such a car on the demurrage days of July 4, 5 and 6, 1947.

Effective date. This amendment shall become effective at 7:00 a. m., July 4, 1947.

It is further ordered, That a copy of this order and direction be served upon the California State Railroad Commission and upon the State Belt Railroad of California; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission, at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901; 49 U. S. C. 1 (10)–(17))

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 47-6184; Filed, July 1, 1947; 8:47 a. m.]

[S. O. 396, Amdt. 10]

PART 95—CAR SERVICE

RESTRICTIONS ON RECONSIGNING OF PERISHABLES

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 26th day of June A. D. 1947.

Upon further consideration of Service Order No. 396 (10 F. R. 15008), as amended (11 F. R. 1627, 4038, 9453; 12 F. R. 1235, 2288, 2479, 3673, 4002, 4029), and good cause appearing therefor: It is ordered, that:

Service Order No. 396, *Perishables; restrictions on reconsigning,* (codified as 49 CFR § 95.396), as amended, be, and it is hereby, further amended as follows:

When computing the two-day (48 hour) period provided in paragraph (b) of this section July 4, 5, and 6, 1947, shall not be counted, or be included in such period.

It is further ordered, that this amendment shall become effective at 12:01 a. m., July 4, 1947, and it shall apply only on cars to be diverted or reconsigned on or after the effective date hereof.

It is further ordered, that a copy of this order and direction be served upon each State railroad regulatory body, and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(40 Stat. 101, sec. 402; 41 Stat. 476, sec. 4, 54 Stat. 901; 49 U. S. C. 1 (10)–(17))

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 47-6183; Filed, July 1, 1947; 8:47 a. m.]

Subchapter B—Carriers by Motor Vehicle

PART 166—IDENTIFICATION OF VEHICLES

DISPLAY OF IDENTIFICATION PLATES BY MOTOR CARRIERS

At a session of the Interstate Commerce Commission, Division 5, held at its

office in Washington, D. C., on the 11th day of June A. D. 1947.

It appearing, that the Commission, Division 5, by order of March 21, 1947 (12 F. R. 2203), instituted an investigation, designated Ex Parte No. MC–41, for the purpose of revising rules and regulations prescribed by the said Division by unnumbered order of May 7, 1937 (49 CFR, Cum. Supp. 166.1–6), as modified by order of the said Division of September 30, 1943 (49 CFR, 1943 Supp., 166.11), in Emergency Order No. M–4, respecting identification of motor vehicles;

It further appearing, that recommendations have been received and conferences conducted on the need for said revision and without public hearing such need has been shown to exist: It is ordered, that:

Sec.
166.1 Vehicles subject to regulations.
166.2 Method of identification.
166.3 Size, shape, and color.
166.4 Vehicles in driveaway service.
166.5 Use of identification plates prohibited.

AUTHORITY: §§ 166.1 to 166.5, inclusive, issued under 49 Stat. 546, 566; 52 Stat. 1237, 1240; 54 Stat. 921; 56 Stat. 176; 49 U. S. C. 304, 324.

§ 166.1 *Vehicles subject to regulations.* Every for-hire motor carrier operating under authority granted pursuant to the Interstate Commerce Act (49 U. S. C., 1 et seq.) shall observe the rules and regulations prescribed in this part respecting each motor vehicle operating under such authority.

§ 166.2 *Method of identification.* There shall be displayed on both sides of each vehicle operated under its own power, either alone or in combination, except as otherwise provided in this part respecting vehicles in driveaway service, the name or trade-name, of the motor carrier under whose authority the vehicle or vehicles is or are being operated, and the certificate, permit, or docket number assigned to such operating authority by the Interstate Commerce Commission. Such certificate, permit, or docket number, or numbers, shall be in the following form: "I. C. C. _____", but shall not include any sub numbers which may have been assigned. If the name of any persons other than the operating carrier appears on the vehicle operated under its own power, either alone or in combination, the name of the operating carrier shall be followed by the information required above, and be preceded by the words, "Operated by". Nothing in the regulations in this part shall prohibit display of such additional identification as is not inconsistent herewith.

§ 166.3 *Size, shape, and color.* The display of name and number prescribed in this part shall be in letters and figures in sharp color contrast to the background and be of such size, shape, and color as to be readily legible, during daylight hours, from a distance of 50 feet while the vehicle is not in motion, and such display shall be kept and maintained in such manner as to remain so legible. If desired, display may be accomplished through use of a removable device so prepared as otherwise to meet the identification and legibility requirements of the regulations in this part.

§ 166.4 *Vehicles in driveaway service.* If a removable device is used on vehicles in driveaway service it either may be affixed on both sides, or, at the rear of the singly driven vehicle. In the case of a combination driveaway operation the removable device may be affixed on both sides of any one of the units comprising the combination, or at the rear of the rearmost unit of the combination.

§ 166.5 *Use of identification plates prohibited.* On and after September 1, 1947, identification plates theretofore issued by the Interstate Commerce Commission shall not be displayed on any motor vehicle operating under authority of that Commission, or otherwise.

It is further ordered, that the said orders of May 7, 1937, and September 30, 1943 (49 CFR 166), be, and they are hereby, vacated effective September 1, 1947, and the current order also shall become effective that date.

And it is further ordered, that a copy of this order be served upon all for-hire motor carriers and that notice hereof be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing with the Director, Division of the Federal Register.

By the Commission, Division 5.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 47–6181; Filed, July 1, 1947; 8:46 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[7 CFR, Part 51]

U. S. STANDARDS FOR RAW WHITE SPANISH PEANUT KERNELS

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the United States Department of Agriculture is considering the issuance, as hereinafter proposed, of the United States Standards for Raw White Spanish Peanut Kernels, pursuant to the authority contained in the Department of Agriculture Appropriation Act, 1947 (Pub. Law 422, 79th Cong., approved June 22, 1946), and the Agricultural Marketing Act of 1946 (Pub. Law 733, 79th Cong., Approved August 14, 1946). These standards will supersede the United States Standards for Shelled White Spanish Peanuts that have been in effect since September 1, 1939.

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposed standards shall file the same in quadruplicate with the Hearing Clerk, Room 0308, South Building, United States Department of Agriculture, Washington 25, D. C., not later than 5:30 p. m., e. s. t., on the 20th day after the publication of this notice in the FEDERAL REGISTER.

The proposed standards are as follows:

§ 51.319 *Raw White Spanish Peanut Kernels*—(a) *Grades.* (1) U. S. No. 1 shall consist of White Spanish peanut kernels which are not noticeably or badly discolored, or damaged, and which are free from foreign material. The kernels shall be whole and shall not pass through a screen of the type customarily in use, having 1⁴⁄₆₄ x ¾ inch slots.

(i) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

(*a*) 1.0 percent for kernels of other varieties.

(*b*) 1.25 percent for kernels with noticeably or badly discolored skins but which are otherwise undamaged: *Provided,* That not more than one-fifth of this amount, or 0.25 percent of the kernels may have badly discolored skins.

(*c*) 0.75 percent for damaged kernels, damaged portions of kernels, and kernels in the shell.

(*d*) 0.1 percent for foreign material.

(*e*) 2.0 percent for split or broken kernels.

(*f*) 2.0 percent for whole kernels which are not damaged but which will pass through a screen of the type customarily in use having 1⁴⁄₆₄ x ¾ inch slots.

(2) U. S. No. 2 shall consist of White Spanish peanut kernels which are not damaged, and which are free from foreign material. The kernels may be whole, split or otherwise broken, but shall not pass through a screen of the type customarily in use having 17⁄64 inch round openings.

(i) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

(*a*) 1.0 percent for other varieties of peanut kernels.

(*b*) 2.5 percent for damaged kernels, damaged portions of kernels, and kernels in the shell.

(*c*) 0.25 percent for foreign material.

(*d*) 6.0 percent for kernels or portions of kernels which are not damaged but which will pass through a screen of the type customarily in use, having 17⁄64 inch round openings.

(b) *Definitions.* (1) "Noticeably discolored" means that more than one-fourth of the skin of the kernel is affected by a medium blue, medium gray, or dark brown discoloration or staining. A kernel having a darker shade of discoloration on a lesser area which affects the appearance to as great an extent as the discoloration described above shall also be considered noticeably discolored.

(2) "Badly discolored" means that more than one-half of the skin of the kernel is affected by a dark blue, dark gray, or blackish-brown discoloration or staining. A kernel having a darker shade of discoloration on a lesser area, which affects the appearance to as great an extent as the discoloration described above shall also be considered badly discolored.

(3) "Damaged" means that the kernel is affected as follows:

(i) Rancid or decayed to an extent visible externally.

(ii) Moldy.

(iii) Very soft and spongy.

(iv) Sprouted, with sprout extending more than one-eighth inch from the end of the kernel.

(v) Distinctly dirty.

(vi) Wormy, or has worm frame adhering, or has worm cuts which are more than superficial.

(vii) Defective in any way to the extent that its edible or keeping quality is materially affected.

(4) "Foreign material" means any substance other than peanut kernels or portions of kernels. Empty hulls shall be classed as foreign material.

(5) "Whole" means that the halves of the kernel are not completely separated, and that not more than one-fourth of the kernel has been broken off.

(6) "Slots" are holes which are rectangular in shape except that the corners are slightly rounded.

(7) "Split" means the separated half of the kernel.

Issued this 27th day of June 1947.

[SEAL] E. A. MEYER,
Assistant Administrator, Production and Marketing Administration.

[F. R. Doc. 47-6201; Filed, July 1, 1947; 8:46 a. m.]

[7 CFR, Part 51]

STANDARDS FOR RAW RUNNER PEANUT KERNELS

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the United States Department of Agriculture is considering the issuance, as hereinafter proposed, of the United States Standards for Raw Runner Peanut Kernels pursuant to the authority contained in the Department of Agriculture Appropriation Act, 1947 (Pub. Law 422, 79th Cong., approved June 22, 1946), and the Agricultural Marketing Act of 1946 (Pub. Law 733, 79th Cong., approved August 14, 1946). These standards will supersede the United States Standards for Shelled Runner Peanuts that have been in effect since September 3, 1946.

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposed standards shall file the same in quadruplicate with the Hearing Clerk, Room 0308, South Building, United States Department of Agriculture, Washington 25, D. C., not later than 5:30 p. m., e. s. t., on the 20th day after the publication of this notice in the FEDERAL REGISTER.

The proposed standards are as follows:

§ 51.320 *Raw Runner peanut kernels.*—(a) *Grades.* (1) U. S. No. 1 shall consist of Runner peanut kernels which are not damaged and which are free from foreign material. The kernels shall be whole and shall not pass through a screen of the type customarily in use having $^{15}/_{64}$ x $^{3}/_{4}$ inch slots.

(i) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

(*a*) 1.0 percent for kernels of other varieties.

(*b*) 2.5 percent for damaged kernels, damaged portions of kernels, and kernels in the shell.

(*c*) 0.1 percent for foreign material.

(*d*) 3.0 percent for split or broken kernels.

(*e*) 2.0 percent for whole kernels which are not damaged but which will pass through a screen having $^{15}/_{64}$ x $^{3}/_{4}$ inch slots.

(2) U. S. No. 2 shall consist of Runner peanut kernels which are not damaged and which are free from foreign material. The kernels may be whole, split or otherwise broken but shall not pass through a screen of the type customarily in use having $^{18}/_{64}$ inch round openings.

(i) In order to allow for variations incident to proper grading and handling, the following tolerances, by weight, shall be permitted:

(*a*) 1.0 percent for kernels of other varieties.

(*b*) 2.5 percent for damaged kernels, damaged portions of kernels, and kernels in the shell.

(*c*) 0.25 percent for foreign material.

(*d*) 6.0 percent for kernels or portions of kernels which are not damaged but which will pass through a screen having $^{18}/_{64}$ inch round openings.

(b) *Definitions.* (1) "Damaged" means that the kernel is affected as follows:

(i) Rancid or decayed.

(ii) Moldy.

(iii) Very soft and spongy.

(iv) Sprouted, with sprout extending more than one-eighth inch from the end of the kernel.

(v) Distinctly dirty.

(vi) Wormy, or has worm frass adhering, or has worm cuts which are more than superficial.

(vii) Defective in any way to the extent that its edible or keeping quality is materially affected.

(2) "Foreign material" means any substance other than peanut kernels or portions of kernels. Empty hulls shall be classed as foreign material.

(3) "Whole" means that the halves of the kernel are not completely separated, and that not more than one-fourth of the kernel has been broken off.

(4) "Slots" are holes which are rectangular in shape except that the corners are slightly rounded.

(5) "Split" means the separated half of the peanut kernel.

Issued this 27th day of June 1947.

[SEAL] E. A. MEYER,
Assistant Administrator, Production and Marketing Administration.

[F. R. Doc. 47-6203; Filed, July 1, 1947; 8:47 a. m.]

[7 CFR, Part 51]

U. S. STANDARDS FOR FARMERS' STOCK RUNNER PEANUTS

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the United States Department of Agriculture is considering the issuance, as hereinafter proposed, of the United States Standards for Farmers' Stock Runner Peanuts pursuant to the authority contained in the Department of Agriculture Appropriation Act, 1947 (Pub. Law 422, 79th Cong., approved June 22, 1946) and the Agricultural Marketing Act of 1946 (Pub. Law 733, 79th Cong., approved August 14, 1946). These standards will supersede the United States Standards for Farmers' Stock Runner Peanuts that have been in effect since September 1, 1931.

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposed standards shall file the same in quadruplicate with the Hearing Clerk, Room 0308, South Building, United States Department of Agriculture, Washington 25, D. C., not later than 5:30 p. m., e. s. t., on the 20th day after the publication of this notice in the FEDERAL REGISTER.

The proposed standards are as follows:

§ 51.321 *Farmers' Stock Runner Peanuts.*—(a) *General.* Farmers' Stock Peanuts often contain varying amounts of loose shelled kernels and foreign material. Such kernels and material are objectionable, and in making inspections, their weight shall be included in the total weight of the sample. Loose kernels shall not be included with the kernels obtained from shelling the sample in determining the percentage of kernels in the sample. All calculations of percentages shall be made on the basis of the total weight of the sample.

(b) *Grades.* (1) U. S. No. 1 shall consist of Runner peanuts in the shell which are mature and dry. When shelled, the kernels which will not pass through a screen of the type customarily in use having $^{15}/_{64}$ x $^{3}/_{4}$ inch slots shall meet the following requirements:

(i) Not less than 65 percent, by weight, of the sample shall consist of kernels which are free from damage.

(ii) Not more than 1 percent, by weight, of the sample may consist of kernels of other varieties.

(iii) Not more than 2 percent, by weight, of the sample may consist of kernels which are damaged: *Provided,*

That for each percent above 65 percent of the kernels which are free from damage there may be an equal percentage above 2 percent of damaged kernels, but in no case shall the damaged kernels exceed 3 percent in U. S. No. 1.

(2) U. S. No. 2 shall consist of Runner peanuts in the shell which are mature and dry. When shelled, the kernels which will not pass through a screen of the type customarily in use having 15/64 x 3/4 inch slots shall meet the following requirements:

(i) Not less than 60 percent, by weight, of the sample shall consist of kernels which are free from damage.

(ii) Not more than 1 percent, by weight, of the sample may consist of kernels of other varieties.

(iii) Not more than 2 percent, by weight, of the sample may consist of kernels which are damaged: *Provided*, That for each percent above 60 percent of the kernels which are free from damage there may be an equal percentage above 2 percent of damaged kernels, but in no case shall the damaged kernels exceed 5 percent in U. S. No. 2.

(3) U. S. No. 3 shall consist of Runner peanuts in the shell which are mature and dry. When shelled, the kernels which will not pass through a screen of the type customarily in use having 15/64 x 3/4 inch slots shall meet the following requirements:

(i) Not less than 55 percent, by weight, of the sample shall consist of kernels which are free from damage.

(ii) Not more than 1 percent, by weight, of the sample may consist of kernels of other varieties.

(iii) Not more than 2 percent, by weight, of the sample may consist of kernels which are damaged: *Provided*, That for each percent above 55 percent of the kernels which are free from damage there may be an equal percentage above 2 percent of damaged kernels, but in no case shall the damaged kernels exceed 6 percent in U. S. No. 3.

(c) Unclassified shall consist of Runner peanuts in the shell which fail to meet the requirements of any of the foregoing grades. The term "unclassified" is not a grade within the meaning of these standards but is provided as a designation to show that no definite grade has been applied to the lot.

(d) Explanatory table showing kernel requirements of U. S. standards:

The percentages below apply only to kernels which will not pass through a screen having 15/64 x 3/4 inch slots. All percentages are based on the total weight of the sample

Grade	Tolerance for other varieties	Kernels free from damage	Tolerance for damaged kernels
	Percent		*Percent*
U. S. No. 1	1	65 percent	2
		66 percent or more	3
U. S. No. 2	1	60 percent	2
		61 percent	3
		62 percent	4
		63 percent or more	5
U. S. No. 3	1	55 percent	2
		56 percent	3
		57 percent	4
		58 percent	5
		59 percent or more	6

(e) *Definitions.* (1) "Slots" are holes which are rectangular in shape except that the corners are slightly rounded.

(2) "Sample" means the total quantity of peanuts taken for the determination of grade, including loose shelled kernels and foreign material.

(3) "Foreign material" means any substance other than peanuts in the shell, loose kernels or portions of kernels.

(4) "Damaged" means that the peanut kernel is affected as follows:

(i) Rancid or decayed.

(ii) Moldy.

(iii) Very soft and spongy.

(iv) Sprouted, with sprout extending more than one-eighth inch from the end of the kernel.

(v) Distinctly dirty.

(vi) Wormy, or has worn frass adhering, or has worm cuts which are more than superficial.

(vii) Defective in any way, to the extent that its edible or keeping quality is materially affected.

Issued this 27th day of June 1947.

[SEAL] E. A. MEYER,
Assistant Administrator, Production and Marketing Administration.

[F. R. Doc. 47-6202; Filed, July 1, 1947; 8:46 a. m.]

[7 CFR, Part 51]

U. S. STANDARDS FOR FARMERS' STOCK WHITE SPANISH PEANUTS

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the United States Department of Agriculture is considering the issuance, as hereinafter proposed, of the United States Standards for Farmers' Stock White Spanish Peanuts pursuant to the authority contained in the Department of Agriculture Appropriation Act, 1947 (Pub. Law 422, 79th Cong., approved June 22, 1946), and the Agricultural Marketing Act of 1946 (Pub. Law 733, 79th Cong., approved August 14, 1946). These standards will supersede the United States Standards for Farmers' Stock White Spanish Peanuts that have been in effect since October 11, 1926.

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposed standards shall file the same in quadruplicate with the Hearing Clerk, Room 0308, South Building, United States Department of Agriculture, Washington 25, D. C., not later than 5:30 p. m., e. s. t., on the 20th day after the publication of this notice in the FEDERAL REGISTER.

The proposed standards are as follows:

§ 51.322 *Farmers' Stock White Spanish Peanuts*—(a) *General.* Farmers' Stock peanuts often contain varying amounts of loose shelled kernels and foreign material. Such kernels and material are objectionable, and in making inspections, their weight shall be included in the total weight of the sample. Loose kernels shall not be included with the kernels obtained from shelling the sample in determining the percentage of kernels in the sample. All calculations of percetanges shall be made on the basis of the total weight of the sample.

(b) *Grades.* (1) U. S. No. 1 shall consist of White Spanish peanuts in the shell which are mature and dry. When shelled, the kernels which will not pass through a screen of the type customarily in use having 14/64 x 3/4 inch slots shall meet the following requirements:

(i) Not less than 70 percent, by weight, of the sample shall consist of kernels which are free from damage.

(ii) Not more than 1 percent, by weight, of the sample may consist of kernels of other varieties.

(iii) Not more than 2 percent, by weight, of the sample may consist of kernels which are damaged: *Provided*, That for each percent above 70 percent of the kernels which are free from damage there may be an equal percentage above 2 percent of damaged kernels, but in no case shall the damaged kernels exceed 3 percent in U. S. No. 1.

(2) U. S. No. 2 shall consist of White Spanish peanuts in the shell which are mature and dry. When shelled, the kernels which will not pass through a screen of the type customarily in use having 14/64 x 3/4 inch slots shall meet the following requirements:

(i) Not less than 65 percent, by weight, of the sample shall consist of kernels which are free from damage.

(ii) Not more than 1 percent, by weight, of the sample may consist of kernels of other varieties.

(iii) Not more than 2 percent, by weight, of the sample may consist of kernels which are damaged: *Provided*, That for each percent above 65 percent of the kernels which are free from damage there may be an equal percentage above 2 percent of damaged kernels, but in no case shall the damaged kernels exceed 5 percent in U. S. No. 2.

(3) U. S. No. 3 shall consist of White Spanish peanuts in the shell which are mature and dry. When shelled, the kernels which will not pass through a screen of the type customarily in use having 14/64 x 3/4 inch slots shall meet the following requirements:

(i) Not less than 60 percent, by weight, of the sample shall consist of kernels which are free from damage.

(ii) Not more than 1 percent, by weight, of the sample may consist of kernels of other varieties.

(iii) Not more than 2 percent, by weight, of the sample shall consist of kernels which are damaged: *Provided*, That for each percent above 60 percent of the kernels which are free from damage there may be an equal percentage above 2 percent of damaged kernels, but in no case shall the damaged kernels exceed 6 percent in U. S. No. 3.

(c) Unclassified shall consist of White Spanish peanuts in the shell which fail to meet the requirements of any of the foregoing grades. The term "unclassified" is not a grade within the meaning of these standards, but is provided as a designation to show that no definite grade has been applied to the lot.

(d) Explanatory table showing kernel requirements for U. S. standards:

The percentages below apply only to kernels which will not pass through a screen having 11/64 x 3/4 inch slots. All percentages are based on the total weight of the sample

Grade	Tolerance for other varieties	Kernels free from damage	Tolerance for damaged kernels
	Percent		*Percent*
U. S. No. 1	1	70 percent	2
		71 percent or more	3
U. S. No. 2	1	65 percent	2
		66 percent	3
		67 percent	4
		68 percent or more	5
U. S. No. 3	1	60 percent	2
		61 percent	3
		62 percent	4
		63 percent	5
		64 percent or more	6

(e) *Definitions.* (1) "Slots" are holes which are rectangular in shape except that the corners are slightly rounded.

(2) "Sample" means the total quantity of peanuts taken for the determination of grade, including loose shelled kernels and foreign material.

(3) "Foreign material" means any substance other than peanuts in the shell, loose kernels or portions of kernels.

(4) "Damaged" means that the peanut kernel is affected as follows:

(i) Rancid or decayed.

(ii) Moldy.

(iii) Very soft and spongy.

(iv) Sprouted, with sprout extending more than one-eighth inch from the end of the kernel.

(v) Distinctly dirty.

(vi) Wormy, or has worm frass adhering, or has worm cuts which are more than superficial.

(vii) Discolored, with more than one-fourth of the skin of the kernel affected by a medium blue, medium gray or dark brown discoloration or staining. Darker shades of discoloration on lesser areas, which affect the appearance to as great an extent as the discoloration described above shall also be considered damage.

(viii) Defective in any way, to the extent that its edible or keeping quality is materially affected.

Issued this 27th day of June 1947.

[SEAL] E. A. MEYER,
Assistant Administrator, Production and Marketing Administration.

[F. R. Doc. 47-6200; Filed, July 1, 1947; 8:46 a. m.]

[7 CFR, Part 944]

HANDLING OF MILK IN QUAD CITIES MARKETING AREA

DECISION WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND PROPOSED AMENDMENT TO ORDER

Pursuant to Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), hereinafter referred to as the "act," and the rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR, Supps. 900.1 et seq.; 11 F. R. 7737; 12 F. R. 1159), a public hearing was held at Rock Island, Illinois, on February 27, 1947, upon certain proposed amendments to the tentatively approved marketing agreement and to the order, as amended, regulating the handling of milk in the Quad Cities marketing area. The hearing, on the basis of which the proposed amendments hereinafter set forth have been formulated, was held pursuant to notice issued on February 19, 1947 (12 F. R. 1246).

A notice of a recommended decision and opportunity to file exceptions thereto was issued by the Assistant Administrator on May 21, 1947 (12 F. R. 3350).

The only material issue presented on the record of the hearing involved the sales of Class I and Class II milk in the marketing area by persons who are handlers under other milk marketing orders issued pursuant to the act.

Findings and conclusions. Upon the basis of the evidence adduced at such hearing it is hereby found and concluded that:

(1) Class I milk and Class II milk are being sold in the marketing area by a person who is a handler under another Federal milk marketing order issued pursuant to the act. This person is able to purchase such milk at minimum prices under the other Federal order of from 20 cents to 40 cents per hundredweight (approximately ½ cent to 1 cent per quart) less than the minimum prices fixed by the Quad Cities order. Thus the handler subject to the other Federal order is able to market milk in the marketing area at a competitive advantage over handlers subject to the Quad Cities marketing order, and this situation constitutes a serious threat to the orderly marketing of milk in the Quad Cities marketing area.

(2) In order to place all handlers who market milk in the marketing area on a more equitable competitive basis with respect to the cost of milk, the Quad Cities order, as amended, should be further amended to provide that the order shall not apply to any handler who, as determined by the Secretary, disposes of the greater portion of his milk as Class I and Class II milk in another marketing area regulated by another Federal milk marketing order, except to the extent that (a) such handler shall file, with the market administrator of the Quad Cities area, such reports with respect to his total receipts and utilization of milk as the market administrator may require, and allow verification of those reports; and (b) if the price which such handler is required to pay under the other Federal order for milk which would be classified as Class I or Class II milk under the Quad Cities order is less than the price of such milk under the Quad Cities order, such handler shall pay into the producer-settlement fund under the Quad Cities order (with respect to all milk disposed of by him as Class I or Class II milk in the Quad Cities market) an amount equal to the difference.

(3) The proposed marketing agreement and order, as amended and as proposed to be amended, regulating the handling of milk in the said marketing area and all of the terms and conditions thereof will tend to effectuate the declared policy of the act.

(4) The proposed marketing agreement and the order, as amended and as proposed to be amended, regulate the handling of milk in the same manner as and are applicable only to persons in the respective classes of industrial and commercial activity specified in the said proposed marketing agreement and the order, as amended and as proposed to be amended, upon which a hearing has been held.

(5) The prices calculated to give milk produced for sale in the said marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to sections 2 and 8e of the act are not reasonable in view of the price of feeds, available supply of feeds, and other economic conditions which affect market supply of and demand for such milk, and the minimum prices specified in the said order, as amended and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest.

Rulings on requested findings and conclusions. No requested findings or conclusions have been submitted and no exceptions were filed to the recommended decision of the Assistant Administrator.

Marketing agreement and order relative to handling. Annexed hereto and made a part hereof are two documents entitled "Marketing agreement regulating the handling of milk in the Quad Cities marketing area," and "Order amending the order, as amended, regulating the handling of milk in the Quad Cities marketing area," which have been decided upon as the appropriate and detailed means of effecting the foregoing conclusions.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the attached order amending the order, as amended, which will be published with the decision.

Neither of these documents shall become effective unless and until the requirements of § 900.14 of the aforesaid rules of practice and procedure have been met.

This decision filed at Washington, D. C. this 26th day of June 1947.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

Order Amending the Order, as Amended, Regulating the Handling of Milk in the Quad Cities Marketing Area

§ 944.0 *Findings upon the basis of the hearing record.* Pursuant to Public Act No. 10, 73d Congress (May 12, 1933), as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), hereinafter referred to as the "act," and the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders (7 CFR, Cum. Supp., 900.1 et seq.; 10 F. R. 11791;

11 F. R. 7737; 12 F. R. 1159), a public hearing was held upon certain proposed amendments to the tentatively approved marketing agreement and to the order, as amended, regulating the handling of milk in the Quad Cities marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof it is hereby found that:

(a) The said order, as amended and as hereby further amended, and all of the terms and conditions of said order, as amended and as hereby further amended, will tend to effectuate the declared policy of the act;

(b) The said order, as amended and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in the said tentatively approved marketing agreement upon which a hearing has been held;

(c) The prices calculated to give milk produced for sale in the said marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to sections 2 and 8e of the act are not reasonable in view of the price of feeds, available supply of feeds, and other economic conditions which affect market supply of and demand for such milk, and the minimum prices specified in the said order, as amended and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

The foregoing findings are supplementary to and in addition to the findings made in connection with the issuance of the aforesaid order and of each of the previously issued amendments hereto; and all of said previous findings are hereby ratified and affirmed except insofar as such findings may be in conflict with the findings set forth herein.

It is hereby ordered, That such handling of milk in the Quad Cities marketing area shall be in conformity to, and in compliance with, the terms and conditions of the aforesaid order, as amended, and as hereby further amended; and the aforesaid order, as amended, is hereby further amended as follows:

Amend § 944.6 by adding at the end thereof the following:

(e) *Handlers subject to other Federal orders.* In the case of any handler, who the Secretary determines disposes of a greater portion of his milk as Class I and Class II milk in another marketing area regulated by another milk marketing order issued pursuant to the act, the provisions of this order shall not apply except as follows:

(1) The handler shall, with respect to his total receipts and utilization of milk, make reports to the market administrator at such time and in such manner as the market administrator may require and allow verification of such reports by the market administrator in accordance with the provisions of § 944.5 (e);

(2) If the price which such handler is required to pay under the other Federal order to which he is subject for milk which would be classified as Class I or Class II milk under this order is less than the price provided pursuant to §§ 944.4 (a) (1) and (2) and 944.4 (c), such handler shall pay to the market administrator for deposit into the producer settlement fund (with respect to all milk disposed of as Class I milk or Class II milk within this marketing area) an amount equal to the difference between the value of such milk as computed pursuant to §§ 944.4 (a) (1) and (2) and 9.44.4 (c) and its value as determined pursuant to the other order to which he is subject.

NOTE: This order shall not become effective unless and until the requirements of § 900.14 of the aforesaid rules of practice and procedure have been met.

[F. R. Doc. 47-6185; Filed, July 1, 1947; 8:47 a. m.]

[7 CFR, Part 961]

HANDLING OF MILK IN THE PHILADELPHIA, PA., MARKETING AREA

NOTICE OF RECOMMENDED DECISION AND OPPORTUNITY TO FILE WRITTEN EXCEPTIONS WITH RESPECT TO A PROPOSED MARKETING AGREEMENT AND A PROPOSED AMENDMENT TO THE ORDER

Pursuant to the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders (7 CFR, Cum. Supp., 900.1 et seq., 10 F. R. 11791, 11 F. R. 7737, 12 F. R. 1159), notice is hereby given of the filing with the Hearing Clerk of this recommended decision of the Assistant Administrator, Production and Marketing Administration, United States Department of Agriculture, with respect to a marketing agreement and an amendment to the order, as amended, regulating the handling of milk in the Philadelphia, Pennsylvania, marketing area, to be made effective pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 1940 ed. 601 et seq.). Interested parties may file exceptions to this recommended decision with the Hearing Clerk, Room 0308, South Building, United States Department of Agriculture, Washington 25, D. C., not later than the close of business on the seventh day after publication of this report in the FEDERAL REGISTER. Exceptions should be filed in quadruplicate.

Preliminary statement. On March 24, 1947, a hearing was announced to be held at Philadelphia beginning April 9, 1947, to consider amendments to Order No. 61. The hearing which lasted three days was conducted jointly with the Pennsylvania Milk Control Commission. Conferences have been held with the Commission to discuss conclusions which would facilitate the issuance of orders for Philadelphia and for the adjacent territory by the Commission and the amendment of Order No. 61 so that regulation by the two authorities in this territory would operate concurrently to the maximum benefit of the industry and the public.

Findings and conclusions—1. *Class I price.* Both producers and handlers expressed strong opinions with regard to the need for maintaining differentials between prices paid for milk in the flush season and prices paid for milk during the short season which would encourage farmers to deliver a greater proportion of their annual production in the short season and thus reduce the necessity for the procurement of milk during the fall months from sources as far away as Minnesota. Producers, as defined in the order, failed to supply the total Class I sales of handlers in the market during any short production season since 1943.

In 1947 a start was made in the Philadelphia milk shed on a program of encouraging the production of more milk in the fall months. The record indicated prices and rates paid for feed, labor, and farm machinery are higher than last year. These factors indicate that the program to encourage more fall production may be seriously hampered unless producers are assured of absolute floor prices for the rest of 1947.

The uncertainty of economic conditions in the fall and winter requires a safeguard in addition to minimum floor prices on Class I milk. Some provision for maintaining the Class I price on a level equivalent to that in competing markets should be adopted.

The New York market takes from equal to the quantity taken by Philadelphia, and is approximately three times as large. It is by far the strongest competitor of Philadelphia for milk supply. The Philadelphia Class I price should be adjusted to correspond with the New York price in a representative competitive area. The 51–60 mile zone represents the radius of the area within which one-half of the Philadelphia producer milk supply is received. That zone falls within Lancester County in which two plants regulated by an order of the Secretary regulating the handling of milk in the New York Metropolitan marketing area and three plants regulated by Order No. 61 are located.

The recommended amendment to the New York Order published in the FEDERAL REGISTER, June 14 (12 F. R. 3838), produces for the third quarter of 1947, a price of $4.695 for Class 1–A milk of 3.7 percent butterfat content, delivered at plants in the 141–150 mile zone from New York, the zone applicable under that order to plants in Lancaster County. Plants in Lancaster County supplying Philadelphia are located 51–60 miles from Philadelphia. The record shows 3.7 percent to be the approximate butterfat content of the largest volume item of Class I, Grade "B" milk, and it is also about the average test of all Class I products taken together. With a butterfat differential of six cents for each 1/10 percent discussed below, and the 33 cent differential applicable to that zone, the equivalent Class I price for 4 percent milk, f. o. b. Philadelphia, is $5.205 per hundredweight.

A survey of farmer's opinion indicated that they believe there is about one dollar per hundredweight difference between the cost of producing milk in the spring and in the fall and winter. Both producers and handlers suggested that a Class I difference of 80 cents to $1.00

would bring about the necessary fall production. A variation of 80 cents plus at least 20 cents difference in the blend which can be expected because of smaller utilization of milk in the lower value Class II use during the fall season, will reflect the $1.00 difference farmers believe is needed. The 40-cent increase for the last quarter should be assured by floor prices.

Producers and handlers contended that the direct dependence on the butter price for the preceding month in determining the Class I price should be deleted entirely from the order and fixed prices substituted for it. Exact levels of prices cannot be determined from this record for nine months to a year in advance. The recommended amendment to the New York Order provides for changes in the New York prices above the floor levels for the rest of 1947 and provides a method of determining the price in 1948. Therefore, in the event the Secretary is unable to hold a hearing and take action thereon for appropriate change in Class I prices in Order No. 61, the amendment should provide for the changes in the Class I price for Philadelphia consistent with changes that may occur under the New York Order. The Class I price in Philadelphia will thus be maintained at the same level as prices established for Class I–A milk sold in the New York marketing area and for Class I–B milk sold by New York handlers in Philadelphia.

Producers argued in a brief that the Class I price should be established at a level not less than parity. They maintained that the act requires such a finding. This requested finding is not made. Section 8c (18) of the act provides that in the case of milk and its products "parity" may be disregarded if it is found to be not reasonable in view of the other factors specified in the section. The seasonal supply and demand conditions in the Philadelphia market are such that a flat Class I price at the parity level will not produce the most desirable seasonal production pattern required to insure a sufficient quantity of pure and wholesome milk and be in the public interest. The record shows that prices under Order 61 should be governed by the standards of section 8c (18) of the act rather than by section 2 of the act. Moreover, even under section 2 parity need not be reached in all cases. Section 2 (2) of the act specifically provides that parity is to be approached with due regard for the protection of the consumer and the public interest.

Producers and several handlers urged the use of a precise cost of production figure for determining the Class I price. Producers relied to considerable extent on evidence of cost of producing milk as indicated by a survey of reported costs obtained from farmers in the Philadelphia milkshed. A comparison of the costs revealed by the survey with the actual prices and subsidies paid farmers during the survey period indicates that costs for the period were in excess of prices plus subsidies received. However, during the period, production per day per farm was 3 percent over the 12 months just preceding the survey. This increasing production when prices were below reported costs suggests that there is some upward bias in the costs reported or the cost price relationship was not the most important factor affecting the supply of milk in that period.

2. *Class II price.* Issues related to the Class II price arise out of proposals (a) to insert an additional ten cents per hundredweight in the butter formula minimum which would be used in case of inordinately low cream prices; (b) for a so-called "distress milk" provision; and (c) to change the milk powder quotation basis for the skim milk value in Class II.

(a) The function of the alternative method is to provide a floor in the butterfat value of Class II milk based upon the value of butterfat in butter. The addition of ten cents to the existing formula, as proposed, reflects the additional cost of shipping cream from midwest points instead of butter. Historically, there is a close relationship between the movement of cream and butter prices so that the alternative method for computing butterfat value of Class II milk would not come into operation unless erratic cream price movements distorted the historical butter-cream price relationship. Such a situation could occur at any time when the receipts of cream are not large and individual operations could unduly affect cream prices. These considerations were present and recited in the report which preceded the amendment effective September 1, 1945, and apply as well to the Class II–D price in the New York Order which would be identical in effect with the Class II price in Order No. 61. This change corrects an inadvertent omission in the September 1, 1945, amendment and should be adopted.

(b) The Class II price recognizes the average value of milk utilized in Class II. Since the present Class II price recognizes that a certain percentage of the Class II milk is disposed of in uses below as well as above the average value, it is concluded that determination of a lower price for milk used in products yielding a low return to the handler should be made in conjunction with a determination of the Class II price at a higher level if these low uses were removed from the application of the Class II price. The evidence in this record is not sufficient to support such a revision of the Class II price structure.

The proposed amendments could not be made effective before the end of the current flush production season and adequate time is available to resolve the whole issue through hearing procedure prior to the next flush production season.

(c) No change in the present skim milk portion of the Class II formula should be made at this time. Witnesses indicated that the price should be maintained in its present relationship to prices established under the New York Order. The change from Producer Price Current quotations to United States Department of Agriculture reported prices would have little effect on the resultant price, and both the New York Order and the orders of the Pennsylvania Milk Commission now use quotations from Producer Price Current.

3. *Butterfat differential for Class I milk.* The fluctuating butterfat differential on Class I milk has made it difficult to compare prices in the Philadelphia market with prices established under the order regulating the handling of milk in the New York market and with prices established by the Pennsylvania Milk Control Commission for other markets in Pennsylvania. Since the milksheds for Philadelphia, New York, and other Pennsylvania markets overlap so completely, it is important that price comparisons be obvious. The New York market and these other Pennsylvania markets now operate on fixed differentials applied to the Class I prices. A flat differential of 6 cents per $\frac{1}{10}$ of one percent variation in butterfat content will permit ready comparisons even though the differential is not as low as in these other markets.

Although a proposal was made that the differential be fixed at the rate of 1.5 percent of the Class I price, the proponents indicated that the differential should at no time exceed 6 cents, and at present price levels a 6-cent differential would result in the correct relationship between fat and solids-not-fat in Class I milk. The 6-cent maximum which was recommended would apply in all instances at the price levels recommended herein.

The difference between the differentials in other markets and the 6-cent differential recommended for Philadelphia has been considered in determining the basic Class I price.

4. *Optional differentials for plants located 11 miles or more from City Hall.* The order recognizes the existence of a number of plants located various distances from the center of the city of Philadelphia. For plants within a radius of 11 to 31 miles from City Hall, allowances are established by 5 mile distance zones to offset the difference in hauling rates on shorter hauls from farm to receiving plant. The current hauling charges do not decrease in direct progression with the distance of the receiving plant from the center of the city as the graduated series of deductions presupposes. Moreover, for a considerable length of time, the Pennsylvania Milk Control Commission has had in effect a producer Class I price for its Area I–A, the immediate adjacent suburban territory, fifteen cents per hundredweight less than the price which it had set for its Area I.

As a result of the modification of the marketing area recommended herein, certain plants which have been regulated by Order No. 61 would come under the jurisdiction of the Pennsylvania Milk Control Commission in its Area I–A and would be required to pay the prices established by the Commission which recognizes a 15-cent price difference between the Philadelphia area and the suburban area.

It is concluded that more uniform prices should be established in the suburban area. The graduated deduction permitted for these plants on all milk on an optional basis should be replaced by an allowance on Class I milk of 12 cents per hundredweight in the paragraph which deals with regular class differentials. This would equal approximately the same total deductions as the graduated deductions on all milk have hitherto provided.

(Paragraph (e) of § 961.8 should be deleted entirely including the three-cent deduction per hundredweight permitted at plants 31 miles or more from City Hall. The optional three-cent deduction was intended to compensate handlers for the operation of certain small volume plants which might otherwise have to close and leave producers without a market. Handlers testified that it had been used instead at various plants irrespective of volume according to the competition for supplies of milk in the area where the plant was located. The optional feature of deductions tends to vary the uniformity of payments to producers depending upon the bargaining power of such producers. An optional differential for this purpose does not tend to effectuate the declared purpose of the act.

5. *Class I milk sold outside the marketing area.* Four different proponents suggested adopting as the prices to be paid producers for Class I milk sold outside the marketing area in areas regulated by a state, the prices prescribed by the state for that area. The record indicates the great difficulty of adapting to the pricing and differentials in Order No. 61, various prices issued by state authorities. The market administrator ascertained as prevailing prices, the minimum prices prescribed by the Pennsylvania Milk Control Commission, only when such prices were ceiling prices prescribed by the Office of Price Administration.

The adoption of the suggested language would not meet the problem of the prevailing cost of milk acquired from without the boundaries of the state but sold in competition with milk acquired by dealers within the state.

The evidence indicates that the Philadelphia and New York markets dominate the Philadelphia milkshed. The prices recommended herein for Class I will keep the prices for each of these markets in close alignment. Since these markets are so important in the region the prices established by Order No. 61 should be representative of the prices in the region. The prices established for Class I milk sold outside the marketing area should be the same as for Class I milk sold in the area. There is no present need for the section.

It is accordingly concluded that § 961.4 (d) should be deleted. The proposal to distinguish between sales from wholesale routes and sales from retail routes in determining out-of-area Class I sales is of no significance if all Class I sales are priced at the area price.

6. *Butterfat differential to producers.* Wide disparity between the butterfat differential prescribed in payments to producers and the butterfat differential applied to the Class I and Class II prices, has existed in recent months. The producer butterfat differential should be increased to 6 cents in line with the current higher values of milk and butterfat.

7. *The Marketing area.* A proposal to eliminate from the marketing area that portion of Delaware County lying south and west of Darby Creek has been raised in previous hearings without affirmative action thereon. This southwestern part of Delaware County includes rural territory as contrasted to communities where a distributor of milk would find himself in the marketing area on one side of a street and out of it on the opposite side of the street.

The population of metropolitan Philadelphia and its milk demands, so far outweigh this suburban territory as to influence completely the prices paid farmers for milk by outlying handlers and obviate the necessity for continuing the area beyond a well defined and visible line in Delaware County. Moreover, such outlying handlers will not be free of price regulation since the Pennsylvania Milk Control Commission has issued an order for this area.

It is concluded that that part of Delaware County lying south and west of Darby Creek should be excluded from the marketing area.

8. *Definition of producer plant.* The farmers to whom minimum prices are required to be paid under Order No. 61 are designated by the definition of "producer" and "producer milk plant." By amendment effective September 1, 1945, certain plants of handlers were listed by name as producer plants. In addition, any other plant which shipped milk to a pasteurizing and bottling plant in the marketing area on twenty days or more was defined as a producer plant. Since this original listing plants have changed ownership, additional plants have been acquired, and some have been withdrawn as producer plants by handlers in the manner prescribed by the order.

The list of plants should be revised to show the changes in ownership and to include those plants which have been operated continuously as producer plants especially during the short production season. An essential test for the inclusion of any plant in a handler's pool during the flush season of the year is the extent to which that plant was drawn upon for milk during the previous short season and whether the milk was priced as producer milk during that period. The definition of producer milk should be changed to permit those plants which shipped twenty days in October, November, and December to become producer plants during the following April, May, and June without making shipments to Philadelphia.

9. *Definition of Class II milk.* The present designation of Class II milk as containing not less than 18 percent butterfat should be retained. The Pennsylvania Department of Agriculture prescribes a minimum of 18 percent butterfat for cream, the principal product of Class II milk.

10. *Classification of non-producer milk.* The proposal to eliminate the allocation of non-producer milk first to Class II during the months April-June ignored the opportunity to purchase milk as producer milk during April, May, and June. The proponents failed to establish any reasonable basis for a change.

11. *Date for filing reports.* Extension of one more day for filing reports, when holidays or long weekends intervene in the first eight days, appears reasonable and should be included in the amendment.

12. *Time limit on reaudits.* The proposal to provide a limit of two years with respect to reaudits and the issuance of revised billings should not be adopted at this time. The proponents of this proposal recognize the necessity for a limitation on the time in which a handler could claim credits from the market administrator, although they made no suggestions to cover this eventuality. The possibility of developing a standard rule for all Federal order markets was suggested. A provision dealing with a matter of this nature must be examined carefully in order to protect the rights of all persons. Since the proponents showed no instances of hardship which they suffer from the lack of such a provision, the order should not be amended hurriedly. The collateral issues and specific language concerning such issues should be described.

13. *Emergency price provision.* The language of this provision is interwoven with subsidies and other wartime market conditions and should be revised to remove reference to such obsolete matters.

Rulings on proposed findings and conclusions. Briefs were filed on behalf of Inter-State Milk Producers' Cooperative, Milk Distributors Association of the Philadelphia Area, Inc., and Miller-Flounders Dairy, Inc.

The briefs contain statements of fact, conclusions, and arguments with respect to nearly all of the proposals discussed at the hearing. Every point covered in the briefs was carefully considered, along with the evidence in the record, in making the findings and reaching the conclusions hereinbefore set forth. Some of the proposed findings of fact are immaterial to the issues presented or outweighed by other facts found herein, and some of the proposed conclusions do not logically follow from the proposed findings of fact. To the extent that the proposed findings and conclusions are inconsistent with the findings and conclusions contained herein, the requests to make such findings are denied because of the reasons stated for the conclusions in this recommended decision.

Proponents of a modification of the provision with respect to out-of-area Class I pricing argued that the hearing notice did not give ample indication of the possibility that the provision should be deleted. The hearing notice and the record presented the issue of whether the present provision of the order has been effective and whether it tends to effectuate the purpose of the act. As stated elsewhere in this decision, the solution proposed by the proponents of an amendment to the provision failed to prove that their suggested change was desirable but did show that the present section is no longer useful or desirable. The deletion of the provision is a more proper and effective solution of the problem presented by the issue raised by the notice, and by the record, and is properly within the scope of the notice.

Recommended marketing agreement and amendments to the order. The following amendments to the order, as amended, are recommended as the detailed and appropriate means by which these conclusions may be carried out.

The proposed marketing agreement is not included because the regulatory provisions thereof would be the same as those contained in the order, as amended, and as proposed here to be further amended.

1. In § 961.1 (a) (3) delete the words "thence along the Upper Merion Township line as it runs to the Delaware County line; then southeasterly along the Delaware County line as it runs to and along Brandywine Creek and the Delaware State Line to the Delaware River; thence northeasterly along the Pennsylvania State line to the Delaware River to the point of the beginning;" and substitute therefor, "thence along the Upper Merion Township line as it runs to the Chester County line; thence southwesterly along the Chester County line to Darby Creek; thence southeasterly along Darby Creek to the Delaware River and the New Jersey State line; thence northeasterly along the New Jersey State line in the Delaware River to the point of beginning."

2. In the list of plants in § 961.1 (a) (6) (i) delete "Gailey Ice Cream Company, Delta, Pa.," and "Penn Reed Milk Company, Belleville, Pa.," and add "Abbotts Dairies, Inc., Belleville, Pa., Abbotts Dairies, Inc., Reedsville, Pa., Delta Farm Products Co., Delta, Pa., and Philadelphia Dairy Products Co., Inc., Benton, Pa." At the head of the list delete the date "January 1, 1945" and substitute "January 1, 1947."

3. Revise § 961.1 (a) (6) (iii) to read as follows:

(iii) Any other plant from which during the month shipments of milk, except shipments for Class II use only, are made on 20 days or more to a pasteurizing or bottling plant described in subdivision (ii) of this subparagraph, or to a plant or plants supplying such pasteurizing or bottling plants: *Provided,* That a plant operated by any handler which was a producer milk plant during October, November, and December, shall be a producer milk plant of the same handler during the next April, May, and June, if such handler files with the market administrator not later than the date on which reports for April, May, or June receipts and utilization of milk are required pursuant to § 961.5 (a), a request that such plant be a producer milk plant for the previous month.

4. In § 961.4 (a) delete the words "Except as set forth in subparagraph (d) of this section," and capitalize the first letter of the following word "each"; and delete § 961.4 (a) (1) and substitute:

(1) *Class I milk.* (i) In 1947, $5.20 per hundredweight for August and September, 1947 and $5.60 per hundredweight for October, November, and December, 1947: *Provided,* That the price shall be not less than the price for Class I–A milk of 3.5 percent butterfat content at the 201–210 mile zone established by an order of the Secretary regulating the handling of milk in the metropolitan New York marketing area plus 62 cents during August and September, 1947, and plus 58 cents during October, November, and December, 1947; (ii) and after 1947 the price for each month shall be the above-named price established by an order of the Secretary for the metropolitan New York marketing area plus 62 cents.

5. In § 961.4 (a) (2) (i) insert just before the colon preceding the word "*Provided,*" the words "and add 10 cents."

6. Revise § 961.4 (b) to read as follows:

(b) *Butterfat differential.* The Class I price shall be subject to a butterfat differential of 6 cents for each one-tenth of 1 percent variation above or below 4 percent and the Class II price shall be subject to a butterfat differential for each one-tenth of 1 percent variation above or below 4 percent calculated as follows: Divide the average of the cream quotations used in calculating the Class II price by 334.8 and subtract 0.67 cents; or in the case of butterfat in Class II to which the "butter-value" is applicable, divide the "butter-value" by 40.

7. Revise § 961.4 (c) (1) to read as follows:

(1) *Class I milk.* At plants more than 11 and not more than 31 miles from the City Hall in Philadelphia, 12 cents per hundredweight; at plants 31–40 miles from the City Hall in Philadelphia, 31 cents per hundredweight; and at plants in excess of 40 miles from the City Hall in Philadelphia, 31 cents per hundredweight plus 1 cent for each additional 10 miles or part thereof, except the total differential shall not exceed 64 cents per hundredweight.

8. Delete § 961.4 (d).

9. In § 961.5 (a) after the words "On or before the 8th day", insert a comma and the words "or if during the first 8 days, three days represent Saturdays, Sundays, or legal holidays, on or before the 9th day,"

10. In § 961.8 (c) delete the words "5 cents per hunderdweight" and substitute the words "6 cents per hundredweight."

11. Delete § 961.8 (e) and renumber § 961.8 (f) as § 961.8 (e). In § 961.8 (a) (2) delete the words "subject to paragraphs (c) (d), (e), (f), and (g) of this section" and substitute "subject to paragraphs (c), (d), and (e) of this section."

12. Revise § 961.10 to read as follows:

§ 961.10 *Emergency price provision.* Whenever the provisions hereof require the market administrator to use a specific price or prices for milk or any milk product, for the purpose of determining class prices, or for any other purpose, if for any reason the price specified is not reported or published as indicated, the market administrator shall use a price determined by the Secretary to be equivalent to or comparable with the price specified.

Filed at Washington, D. C., this 27th day of June 1947.

[SEAL] E. A. MEYER,
Assistant Administrator.

[F. R. Doc. 47-6204; Filed, July 1, 1947; 8:47 a. m.]

[7 CFR, Part 970]

HANDLING OF MILK IN CLINTON, IOWA, MARKETING AREA

DECISION WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND TO PROPOSED AMENDMENT TO ORDER

Pursuant to Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), hereinafter referred to as the "act," and the rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR, Supps. 900.1 et seq.; 11 F. R. 7737; 12 F. R. 1159), a public hearing was held at Clinton, Iowa, on February 28, 1947, upon certain proposed amendments to the tentatively approved marketing agreement and to the order, as amended, regulating the handling of milk in the Clinton, Iowa, marketing area. The hearing, on the basis of which the proposed amendments hereinafter set forth have been formulated, was held pursuant to notice issued on February 19, 1947 (12 F. R. 1247).

A notice of a recommended decision and opportunity to file written exceptions thereto was issued by the Assistant Administrator on May 21, 1947 (12 F. R. 3351).

The material issues presented on the record of the hearing are:

(1) The status of handlers who sell milk in Clinton, Iowa, as well as in other marketing areas regulated by Federal milk orders, and

(2) The level of the Class I price.

Findings and conclusions. (1) Handlers, who the Secretary determines have their principal business in another area regulated by another order issued pursuant to the act, should be exempt from most of the provisions of the Clinton, Iowa, order. Such a handler, however, should be required to make reports to the market administrator, and in the event the prices fixed in the Clinton order are higher than those fixed in the other order to which he is subject, he should be required to pay into the producer-settlement fund, an amount equal to the difference in value, as computed under the two orders, of the milk disposed of as Class I milk within the Clinton, Iowa, marketing area. It appears that it would be unreasonable and impractical to pool the milk of a handler under two orders simultaneously. However, if a handler were permitted to purchase milk at a lower price than other handlers by virtue of having his prices fixed by another order he would enjoy a competitive advantage over other handlers in the market. Therefore, he should be required to pay any difference into the producer-settlement fund in order to equalize the buying price of all handlers. Where such a handler is required under the terms of the order to pay prices equal to or higher than those fixed in the Clinton order, no competitive advantage accrues to him and no payment shall be required.

(2) The price of Class I milk should be increased 20 cents per hundredweight.

It appears on the record that producers are entitled to some increase in price but there appears to be no basis for an increase of the amount requested. The City of Clinton recently adopted a new public health ordinance regulating the production and sale of milk in the city. While there seems to be very little difference in the terms of the existing ordinance as compared to that previously in effect, all of the evidence indicates that there is a wide difference in the degree of enforcement. That production costs have increased is evident from the fact that the number of producers has declined from 198 in February 1946 to 146 in January 1947. It was in February 1946 that the new ordinance with its strict enforcement became effective. Most of these producers either had their permits revoked by the health department or withdrew voluntarily because they were unwilling or felt unable to produce milk in accordance with the new requirements.

It appears from the record that producers have been required to make capital expenditures of approximately $400.00 per farm on the average. It appears that an increase of 5 cents per hundredweight would be ample to cover depreciation and interest on this investment. In addition to this capital expenditure producers will incur continuing costs for electricity, supplies and increased labor which were not required previously. Based on the record it appears that an additional 10 cents per hundredweight would cover these costs. In arriving at this figure we have disregarded many of the items mentioned by producers such as disinfectants, cleansers, paints, etc. These are costs which are a part of dairying under any conditions and it is very doubtful that expenditures on these items will be increased materially as a result of the enforcement of the ordinance. Since approximately 75 percent of the milk produced for the Clinton market is disposed of as Class I milk, an increase of 20 cents per hundredweight in the Class I price would return to producers an average of 15 cents per hundredweight on their entire production. Thus it appears that the proposed increase would be ample to compensate producers for the costs incurred by them as a result of the strict enforcement of the local regulations.

With respect to the proposal that the price for Class I milk sold in other markets regulated by other marketing orders, be either the Clinton price or the price prevailing in the market where sold, whichever is higher, we feel that the record is inadequate and fails to justify such an amendment.

(3) The proposed marketing agreement and the order, as amended and as proposed to be amended, regulating the handling of milk in the said marketing area and all of the terms and conditions thereof will tend to effectuate the declared policy of the act.

(4) The proposed marketing agreement and the order, as amended and as proposed to be amended, regulate the handling of milk in the same manner as and are applicable only to persons in the respective classes of industrial and commercial activity specified in the said proposed marketing agreement and the order, as amended and as proposed to be amended, upon which a hearing has been held.

(5) The prices calculated to give milk produced for sale in the said marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to sections 2 and 8e of the act are not reasonable in view of the price of feeds, available supply of feeds, and other economic conditions which affect market supply of and demand for such milk, and the minimum prices specified in the said order, as amended and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest.

Rulings upon proposed findings and conclusions. Proposed findings and conclusions were submitted by the Clinton Cooperative Milk Producers Association, Inc., Elmwood Dairy Farms, and Golden-Mello Dairies. None of these contained any specific proposals with respect to the status of handlers who dispose of milk in the Clinton marketing area as well as in other marketing areas subject to Federal regulation.

The Clinton Cooperative Milk Producers Association, Inc., urged that the Secretary find that the Class I price be increased 50 cents per hundredweight as they had proposed at the hearing. It is their contention that this increase is justified on the record. However, our analysis of the record as set forth above indicates that an increase of 20 cents per hundredweight in the Class I price would be ample to compensate producers for their increased costs.

Elmwood Dairy Farms recommended that no increase in price be granted, largely on the grounds that the new ordinance is virtually identical with the old, and that many of the costs advanced by producers for disinfectants, scouring powders and the like are costs which they have always had and cannot be attributed to the new ordinance.

Granting that there is little difference between the two ordinances as written, the record indicates that there is a considerable degree of difference in the extent of enforcement. In the record Mr. Chester Ryder, proprietor of the Elmwood Dairy Farms, testified that the two ordinances were very closely related "with the exception that one was enforced and the other wasn't." The strict enforcement of the new ordinance has resulted in increased costs to producers. With respect to the point that many of the costs cited by producers are now new expenses resulting from the ordinance, it has been pointed out above that such costs were disregarded in arriving at the amount of increase which should be granted to producers.

Golden-Mello Dairies proposed that an increase of 20 cents be granted on milk disposed of as fluid milk but that no increase be granted on milk disposed of in other uses. Their contention is that such an increase would amply compensate producers for their added costs.

While it is probable that the proposal suggested by Golden-Mello Dairies would return to producers almost the same increase as has been recommended above, it is impossible to fix definitely what the increase would amount to since the record fails to disclose what percentage of Class I milk is disposed of as fluid milk and what percentage is disposed of as cream and milk drinks. The record also fails to show any basis for dividing the present Class I products into other categories. When the original order was issued all products which were required to meet the same health standards were placed in Class I and all other products which were not required to be made from inspected milk were placed in Class II or Class III. The record indicates that the health regulations are unchanged in this respect, and it contains no evidence in support of a change in classification.

No exceptions were filed to the recommended decision of the Assistant Administrator.

Marketing agreement and order relative to handling. Annexed hereto and made a part hereof are two documents entitled "marketing agreement regulating the handling of milk in the Clinton, Iowa, marketing area," and "order amending the order, as amended, regulating the handling of milk in the Clinton, Iowa, marketing area," which have been decided upon as the appropriate and detailed means of effecting the foregoing conclusions.

It is hereby ordered that all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the attached order amending the order, as amended, which will be published with the decision.

Neither of these documents shall become effective unless and until the requirements of § 900.14 of the aforesaid rules of practice and procedure have been met.

This decision filed at Washington, D. C. this 26th day of June 1947.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

Order Amending the Order, as Amended, Regulating the Handling of Milk in the Clinton, Iowa, Marketing Area

§ 970.0 *Findings upon the basis of the hearing record.* Pursuant to Public Act No. 10, 73d Congress (May 12, 1933), as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), hereinafter referred to as the "act," and the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders (7 CFR, Cum. Supp., 900.1 et seq.; 10 F. R. 11791; 11 F. R. 7737; 12 F. R. 1159), a public hearing was held upon certain proposed amendments to the tentatively approved marketing agreement and to the order, as amended, regulating the handling of milk in the Clinton, Iowa, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof it is hereby found that:

(a) The said order, as amended and as hereby further amended, and all of the

terms and conditions of said order, as amended and as hereby further amended, will tend to effectuate the declared policy of the act;

(b) The said order, as amended and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in the said tentatively approved marketing agreement upon which a hearing has been held;

(c) The prices calculated to give milk produced for sale in the said marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to sections 2 and 8e of the act are not reasonable in view of the price of feeds, available supply of feeds, and other economic conditions which affect market supply of and demand for such milk, and the minimum prices specified in the said order, as amended and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

The foregoing findings are supplementary to and in addition to the findings made in connection with the issuance of the aforesaid order and of each of the previously issued amendments hereto; and all of said previous findings are hereby ratified and affirmed except insofar as such findings may be in conflict with the findings set forth herein.

It is hereby ordered, That such handling of milk in the Clinton, Iowa, marketing area shall be in conformity to, and in compliance with, the terms and conditions of the aforesaid order, as amended, and as hereby further amended, and the aforesaid order, as amended, is hereby further amended as follows:

1. Amend § 970.4 (a) (1) by deleting therefrom the words, "50 cents" and substituting therefor the words, "70 cents."

2. Amend § 970.6 by adding at the end thereof the following:

(f) *Handlers subject to other Federal orders.* In the case of any handler who the Secretary determines disposes of a greater portion of his milk as Class I milk in another marketing area regulated by another milk marketing order issued pursuant to the act, the provisions of this order shall not apply except as follows:

(1) The handler shall with respect to his total receipts and utilization of milk, make reports to the market administrator at such time and in such manner as the market administrator may require and allow verification of such reports by the market administrator in accordance with the provisions of § 970.5 (a).

(2) If the price which such handler is required to pay under the other Federal order to which he is subject for milk which would be classified as Class I milk under this order is less than the price provided pursuant to § 970.4 (a) (1), such handler shall pay to the market administrator for deposit into the producer-settlement fund (with respect to all milk disposed of by such handler as Class I milk within the marketing area) an amount equal to the difference between the value of such milk as computed pursuant to § 970.4 (a) (1) and its value as determined pursuant to the other order to which he is subject.

NOTE: This order shall not become effective unless and until the requirements of § 900.14 of the aforesaid rules of practice and procedure have been met.

[F. R. Doc. 47-6186; Filed, July 1, 1947; 8:47 a. m.]

NOTICES

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616; E. O. 9193, July 6, 1942. 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 9242]

KINICHI TADA

In re: Debt owing to and stock owned by Kinichi Tada, also known as Kenichi Tada. D-39-12707-A-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Kinichi Tada, also known as Kenichi Tada, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the property described as follows:

a. That certain debt or other obligation owing to Kinichi Tada, also known as Kenichi Tada, by Merrill Lynch, Pierce, Fenner & Beane, 70 Pine Street, New York 5, N. Y., in the amount of $1,500.13, as of December 31, 1945, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same, and

b. Three Hundred (300) shares of capital stock of Avco Manufacturing Company, 420 Lexington Avenue, New York, New York, a corporation organized under the laws of the State of Delaware, evidenced by certificates numbered NC163603; NC163604; and NC163605 for one hundred (100) shares each, registered in the name of Merrill Lynch, Pierce, Fenner & Beane, and presently in the custody of Merrill Lynch, Pierce, Fenner & Beane, 70 Pine Street, New York 5, N. Y., together with all declared and unpaid dividends thereon,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on June 23, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47-6199; Filed, July 1, 1947; 8:50 a. m.]

[Vesting Order 9222]

FRED BUDDE

In re: Estate of Fred Budde, deceased. File D-28-11584; E. T. sec. 15799.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Hinrich Budde, Marie Holzten, Sophie Tietzen and Meta Pils, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany);

2. That all right, title, interest and claim of any kind or character whatsoever of the persons named in subparagraph 1 hereof in and to the Estate of Fred Budde, deceased, is property payable or deliverable to, or claimed by, the aforesaid nationals of a designated enemy country (Germany);

3. That such property is in the process of administration by Ben H. Brown, as Administrator, acting under the judicial supervision of the Superior Court of the State of California, in and for the County of Los Angeles;

and it is hereby determined:

4. That to the extent that the persons named in subparagraph 1 hereof are not

within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on June 23, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47-6166; Filed, June 30, 1947; 8:46 a. m.]

[Vesting Order 9223]

FANNIE E. CARLSON

In re: Estate of Fannie E. Carlson, also known as Fannie Carlson, also known as F. E. Carlson, deceased. File D-28-11232; E. T. sec. 15610.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Frau Lehrer Katherine Hartel, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the sum of $1,000.00 was paid to the Attorney General of the United States by Daniel Molander, Executor of the Estate of Fannie E. Carlson, also known as Fannie Carlson, also known as F. E. Carlson, deceased;

3. That the said sum of $1,000.00 is presently in the possession of the Attorney General of the United States and was property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which was evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

4. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

This vesting order is issued nunc pro tunc to confirm the vesting of the said property in the Attorney General of the United States by acceptance thereof on February 3, 1947, pursuant to the Trading with the Enemy Act, as amended.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on June 23, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47-6167; Filed, June 30, 1947; 8:46 a. m.]

[Dissolution Order 54]

BYK, INC.

Whereas, by Vesting Order Number 34, dated June 30, 1942 (7 Fed. Reg. 5077, July 4, 1942), there were vested all the issued and outstanding shares of the capital stock of Byk, Inc., a Delaware corporation; and

Whereas, by Vesting Order No. 363, dated November 13, 1942 (7 Fed. Reg. 9470, November 18, 1942), there were also vested all the right, title, interest and claim of Byk-Guldenwerke Chemische Fabrik, A. G., Berlin, Germany, in and to all indebtedness owing to it by Byk, Inc., and it has been ascertained that a certain claim in favor of Byk-Guldenwerke Chemische Fabrik, A. G. aggregating $17,108.25 was thereby vested; and

Whereas, by Subordination Order No. 2, executed July 8, 1942, the officers and directors of Byk, Inc., were directed to subordinate the vested claim in the name of Byk-Guldenwerke Chemische Fabrik, A. G. to the claims of other creditors of, and claimants against Byk, Inc.;

Whereas, Byk, Inc. has been substantially liquidated;

Now, under the authority of the Trading with the Enemy Act, as amended, and Executive Orders 9095, as amended, and 9788, and pursuant to law, the undersigned, after investigation:

1. Finding that the claims of all known creditors have been paid, except such claim, if any, as the Attorney General of the United States may have for money advanced or services rendered to or on behalf of the corporation; and except the claim formerly of Byk-Guldenwerke Chemische Fabrik, A. G. which has been vested and subordinated as aforesaid; and

2. Having determined that it is in the national interest of the United States that said corporation be dissolved, and that its assets be distributed, and a Certificate of Dissolution having accordingly been issued by the Secretary of State of the State of Delaware, and a Certificate of Surrender of Authority to do business within the State of New York filed with the Secretary of State of the State of New York;

Hereby orders, that the officers and directors of Byk, Inc. (to wit, Francis J. Carmody, President, Treasurer and Director, Robert Kramer, Secretary and Director, and C. P. Goepel, Director, and their successors, or any of them), continue the proceedings for the dissolution of Byk, Inc.; and

Further orders, that the said officers and directors wind up the affairs of the corporation and distribute the assets thereof coming into their possession as follows:

(a) They shall first pay the current expenses and reasonable and necessary charges of winding up the affairs of said corporation and the dissolution thereof; and

(b) They shall then pay all known Federal, state, and local taxes and fees owed by or accruing against the said corporation; and

(c) They shall then pay over, transfer, assign and deliver to the Attorney General of the United States all of the funds and property, if any, remaining in their hands after the payments as aforesaid, the same to be applied, first, in satisfaction of the vested claim described above, second, in satisfaction of such claim, if any, as he may have for monies advanced or services rendered to or on behalf of the corporation, and third, as a liquidating distribution of assets to the Attorney General of the United States as holder of all the issued and outstanding stock of the corporation; and

Further orders, that nothing herein set forth shall be construed as prejudicing the right, under the Trading with the Enemy Act, as amended, of any person who may have a claim against said corporation to file such claim with the Attorney General of the United States against any funds or property received by the Attorney General of the United States hereunder; *Provided, however,* That nothing herein contained shall be construed as creating additional rights in such person; *Provided, further,* That any such claim against said corporation shall be filed with or presented to the Attorney General of the United States within the time and in the form and manner prescribed for such claims by the Trading with the Enemy Act, as amended, and applicable regulations and orders issued pursuant thereto; and

Further orders, that all actions taken and acts done by the said officers and directors of Byk, Inc., pursuant to this order and the directions contained herein shall be deemed to have been taken and done in reliance on and pursuant to paragraph numbered (2) of subdivision (b) of section 5 of the Trading with the Enemy Act, as amended, and the acquittance and exculpation provided therein; and

Further orders, that to the extent that the provisions of this order are inconsistent with the provisions of Subordina-

tion Order No. 2 executed July 8, 1942, the provisions of this order shall govern.

Executed at Washington, D. C., this 24th day of June 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47-6120; Filed, June 27, 1947; 8:53 a. m.]

CIVIL AERONAUTICS BOARD

[Dockets Nos. 1932, 1890]

NORTHEAST AIRLINES, INC.

NOTICE OF POSTPONEMENT OF HEARING

In the matter of the compensation for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, of Northeast Airlines, Inc., over its entire system.

Notice is hereby given pursuant to the Civil Aeronautics Act of 1938, as amended, particularly sections 406 and 1001 of said act, that the hearing in the above-entitled proceeding, now set for June 30, 1947, has been postponed, and is assigned for July 15, 1947, at 10:00 a. m. (daylight saving time) in Conference Room A, Departmental Auditorium, Constitution Avenue, between 12th and 14th Sts., N. W., Washington, D. C., before an examiner of the Board.

Dated at Washington, D. C., June 27, 1947.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 47-6197; Filed, July 1, 1947; 8:49 a. m.]

[Docket No. SA-146]

ACCIDENT NEAR LOOKOUT ROCK, JEFFERSON COUNTY, W. VA.

NOTICE OF HEARING

In the matter of investigation of accident involving aircraft of United States registry NC 88842 which occurred on the western slope of the Blue Ridge Mountain near a point known as Lookout Rock, Jefferson County, West Virginia, on June 13, 1947.

Notice is hereby given, pursuant to the Civil Aeronautics Act of 1938, as amended, particularly section 702 of said act, in the above-entitled proceeding that hearing is hereby assigned to be held on Wednesday, July 2, 1947, at 9:00 a. m., e. d. t., at the Court House, Leesburg, Virginia.

Dated at Washington, D. C., June 25, 1947.

[SEAL] W. K. ANDREWS,
Presiding Officer.

[F. R. Doc. 47-6198; Filed, July 1, 1947; 8:49 a. m.]

FEDERAL POWER COMMISSION

[Docket Nos. G-200, G-207]

PANHANDLE EASTERN PIPE LINE CO. ET AL.

ORDER MODIFYING PRIOR ORDER CONTINUING EMERGENCY RULES AND REGULATIONS TO GOVERN DELIVERIES OF NATURAL GAS FROM PANHANDLE SYSTEM WHEN CURTAILMENT OF SUCH DELIVERIES BECOMES NECESSARY AND FIXING DATE FOR HEARING

In the matter of: City of Detroit, Michigan, and County of Wayne, Michigan v. Panhandle Eastern Pipe Line Company and Michigan Gas Transmission Corporation, Docket No. G-200; Panhandle Eastern Pipe Line Company, Michigan Gas Transmission Corporation, and Illinois Natural Gas Company, Docket No. G-207.

Upon consideration of (1) the record made during the course of hearings in this docket convened in Chicago, Illinois, October 23, 1946, and completed, after a recess, in Washington, D. C., on November 19, 1946, (2) the conference held in Chicago, Illinois, on December 4 and 5, 1946, between representatives of the staff of the Commission, in cooperation with representatives of State commisssions having jurisdiction over distributing companies dependent upon Panhandle Eastern Pipe Line Company (Panhandle) for their supply of natural gas, and representatives of such distributing companies, and Panhandle, (3) the order of the Commission under date of December 12, 1946, making effective emergency service rules and regulations to govern deliveries of natural gas by Panhandle when curtailment of natural gas deliveries became necessary during the winter heating season of 1946-1947, (4) reports by Panhandle pursuant to the requirements of the order of December 12, 1946, showing the extent and duration of curtailments pursuant to such emergency service rules and regulations, as well as violations of such rules and regulations during periods of curtailment by reason of excess takes of gas by certain distributing companies, (5) monthly estimates of requirements of natural gas during 1947, and peak day requirements for the winter season of 1947-1948, supplied by individual distributing companies and Panhandle in response to requests for such information by the Commission during April 1947, (6) the order of the Commission under date of April 23, 1947, extending, until further order of the Commission, the emergency service rules and regulations to govern deliveries of natural gas during periods when curtailment of deliveries of gas by Panhandle may be necessary (emergency service rules), (7) data and information compiled by the Commission's staff and submitted at the conference in Chicago, Illinois, on May 7-9, 1947, between representatives of Panhandle, gas distributing companies served by Panhandle, State regulatory commissions of Missouri, Illinois, Indiana, Michigan, and Ohio, having jurisdiction over such distributing companies, and the staff of this Commission, and (8) revised data and information compiled by the Commission's staff, showing estimated requirements in the Panhandle area during the remaining months of 1947 and 1947-1948 peak day requirements, as well as like information and data for the Appalachian area, based on factual information and estimates supplied by distributing companies served by Panhandle and major gas distributing utilities serving the Appalachian area, submitted at the conference in Washington, D. C., on June 4, 1947, between representatives of pipe line companies and distributing companies serving such areas, representatives of the regulatory commissions of Missouri, Illinois, Indiana, Ohio, Michigan, Pennsylvania, Maryland, New York, West Virginia, District of Columbia and the staff of this Commission;

It appears to the Commission that:

(a) The record of the hearings convened in Chicago, Illinois, on October 23, 1946, and concluded in Washington, D. C., on November 19, 1946, disclosed that the sales capacity of the pipeline facilities of Panhandle was estimated at 405,000 Mcf per day for the winter season of 1946-1947; that the total estimated 1946-1947 peak day requirements of distributing utilities dependent upon Panhandle for their supply of natural gas and the requirements of direct industrial and other consumers served by Panhandle, adjusted to reflect zero degree temperature, was 522,562 Mcf (440,398 Mcf firm, 82,164 Mcf interruptible); that coincidental peak day deliveries from the Panhandle system during the winter season of 1946-1947 (February 4, 1947) totaled 466,434 Mcf (firm 456,692 Mcf, interruptible 9,742 Mcf), which total to the extent that it exceeds 405,000 Mcf represented utilization of line pack; and that deliveries of natural gas from the Panhandle system on February 4, 1947, adjusted to reflect zero degree temperature, would indicate firm requirements of 479,079 Mcf.

(b) Estimates of firm requirements (based on zero degree temperatures) to meet the consumer demands of distributing companies supplied from the Panhandle system, as compiled by the staff of the Commission from data submitted by Panhandle and such distributing companies, show that peak day requirements for the winter season of 1947-1948 will approximate 518,000 Mcf; that in estimating firm requirements for 1947-1948 at 518,000 Mcf there was not included any amount whatsoever for interruptible sales; that Panhandle has estimated its delivery capacity for the winter season of 1947-1948 at 425,000 Mcf; that such delivery capacity is based in part on the belief that the compressors and a part of the loop lines authorized by the Commission in its order of November 30, 1946, as modified by order of May 28, 1947, in Docket No. G-706, and that certain of the facilities authorized by order of April 22, 1947, in Docket No. G-784, will be completed and in operation early during the winter season of 1947-1948.

(c) The inability of Panhandle to complete facilities authorized by the Commission in Docket Nos. G-706 and G-784 is due to the prevailing shortage of pipe

and other essential material and equipment, and Panhandle will be unable to improve the delivery capacity of its system substantially beyond the estimated 425,000 Mcf for the coming winter.

(d) By its order of June 12, 1947, in Docket No. G–880, providing for the allocation of emergency deliveries of natural gas from the Big Inch Lines, the Commission allocated 20,000 Mcf per day to Panhandle effective until November 1, 1947.

(e) Considering estimates of requirements by distributing companies dependent upon Panhandle for their supply of natural gas, the estimate of delivery capacity from the Panhandle system during the winter season of 1947–1948 (giving due consideration to the continuing emergency deliveries from the Big Inch Lines to the Panhandle area) and the deficiency in delivery capacity when compared with reasonable estimates of requirements, clearly indicate that the Panhandle system cannot meet the requirements of its attached customers during the coming winter season and that the excess of requirements over delivery capacity will be greater than that experienced during the winter season of 1946–1947.

(f) Conferences called by the Commission to effect a voluntary agreement between distributing companies served by Panhandle as a basis for allocation of available pipeline capacity during the winter season of 1947–48, and attended by representatives of such distributing companies, State regulatory commissions having jurisdiction over such distributing companies, Panhandle, and this Commission, in Chicago, Illinois, on May 7–9, 1947, and in Washington, D. C., on June 3–6, 1947, have not resulted in an accord; that subcommittees of such general conference are now working upon problems incident to agreement upon questions of allocation involved and a further meeting of the general conference will be called during the month of July upon completion of such subcommittees' studies and for receipt of and action upon reports from such subcommittees; that it is hoped that at such general conference satisfactory arrangements will be worked out so that revised emergency service rules may be filed and published to govern the allocation of pipeline capacity when curtailment of deliveries of natural gas by Panhandle becomes necessary during the winter season of 1947–48 (revised emergency service rules), that if such arrangements do not result, early public hearing will be necessary in the public interest so that revised emergency service rules may be established by order of the Commission and made effective not later than September 30, 1947.

The Commission finds that:

(1) Consumer demands upon distributing companies dependent upon the Panhandle system for their supply of natural gas will exceed the available pipeline capacity of the Panhandle system for the coming winter; and the establishment of revised emergency service rules are necessary and required in the public interest.

(2) Unless reasonable and non-discriminatory emergency service rules are filed by Panhandle as supplements to existing and presently effective rate schedules, then such reasonable and nondiscriminatory emergency service rules must be established by order of this Commission.

(3) By reason of the extreme emergency and the necessity that all distributing companies and consumers dependent upon Panhandle for their supply of gas may fully realize the urgency of the present situation, as well as the emergency which will obtain during the coming winter and the fact that during the coming winter distributing companies cannot expect substantially greater deliveries of firm natural gas from Panhandle on peak days than such companies were entitled to receive from Panhandle under step 4 of emergency service rules which were in effect during the winter season of 1946–1947, it is necessary in the public interest that the emergency service rules as provided by order of April 23, 1947, be continued in full force and effect until revised emergency service rules are adopted by the general conference to be convened in July, 1947, filed and published by Panhandle and permitted to become effective by order of the Commission, or upon failure to adopt such revised emergency service rules, then the presently effective emergency service rules shall remain and be effective until, after hearing, the Commission by order establishes revised emergency service rules to be thereafter effective.

Wherefore, the Commission orders that:

(A) A public hearing be held commencing at 10:00 a. m. (e. d. s. t.), in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW, Washington 25, D. C., on August 18, 1947, for the purpose of establishing all necessary facts respecting the natural gas requirements of Panhandle's direct customers and distributing companies depending upon Panhandle for all or any part of their supply of natural gas, the pipe line delivery capacity of the Panhandle system which will be available in meeting peak day requirements during the winter season of 1947–1948 and such other and further matters of fact as may be necessary or desirable to enable the Commission to establish reasonable nondiscriminatory emergency service rules to govern curtailment of Panhandle deliveries of natural gas when necessary during the winter season of 1947–1948 and thereafter until the Commission by order shall otherwise provide.

(B) The order of the Commission dated April 23, 1947, extending emergency service rules and regulations to govern deliveries of natural gas by Panhandle Eastern Pipe Line Company, be and the same is hereby modified to provide that such extension of emergency service rules therein specified is only to be effective until such time as reasonable and non-discriminatory emergency service rules are filed by Panhandle as supplements to existing rate schedules and made effective by the Commission or, upon failure to make such emergency service rules effective in such manner the Commission, following the hearing herein provided, shall by order establish such emergency service rules: *Provided, however,* That the presently effective emergency service rules shall not continue in force or effect beyond September 30, 1947, without further order of this Commission.

Date of issuance: June 25, 1947.

By the Commission.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 47–6173; Filed, July 1, 1947; 8:45 a. m.]

[Docket No. G–855]

MEMPHIS NATURAL GAS CO. ET AL.

NOTICE OF AMENDED APPLICATION

JUNE 25, 1947.

In the matter of Memphis Natural Gas Company, and Kentucky Natural Gas Corporation, and Texas Gas Transmission Corporation, Docket No. G–855.

Notice is hereby given that on May 28, 1947, an amended joint application as supplemented June 17, 1947, was filed with the Federal Power Commission by Memphis Natural Gas Company (Memphis), a Delaware corporation with its principal place of business at Memphis, Tennessee, and Kentucky Natural Gas Corporation (Kentucky), a Delaware corporation with its principal place of business at Owensboro, Kentucky, and Texas Gas Transmission Corporation (Texas), a Delaware corporation with its principal place of business at Owensboro, Kentucky, for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing the acquisition and operation by Texas of the natural gas systems of Memphis and Kentucky upon consummation of the proposed merger of Memphis and Kentucky with and into Texas, in lieu of, and in substitution for the purchase proposed by Memphis of the gas system, and the related physical assets of Kentucky, as set forth in the original application filed herein on January 30, 1947, by Memphis Natural Gas Company and Kentucky Natural Gas Corporation.

Notice of the filing of the original application herein was published in the FEDERAL REGISTER on February 22, 1947 (12 F. R. 1255). The facilities proposed to be acquired are generally described therein.

The amended application recites that Texas is not presently engaged in the transportation or sale of natural-gas but that it owns all of the outstanding stocks, both common and preferred of Kentucky, and approximately 25% of the issued and outstanding common stock of Memphis; that in addition to this 25% interest in Memphis which it owns directly, Texas, by reason of its ownership of all of the stock of Kentucky, is the indirect owner of approximately 24.8% of the issued and outstanding stock of Memphis, or a total ownership of approximately 49.8%.

The amended application recites that it is the intention of Texas, upon the consummation of the proposed merger, to continue without interruption the services presently being rendered by Memphis

and Kentucky to the areas being served by the respective systems, which consist of the transportation and sale of natural-gas to distributors for resale to ultimate consumers in such areas.

The application recites that since Texas will not acquire the natural gas systems of Memphis and Kentucky by purchase, but will succeed to the ownership of these and all other assets of those companies by operation of law, no additional financing will be required.

It is further recited that Texas will adopt and continue to charge the present rates of Memphis and Kentucky, as filed with the Commission and published for the various classes of service rendered by the Memphis and Kentucky systems.

The amended application further recites that corporate integration and subsequent physical interconnection will provide the consumers in the area served by Kentucky and Memphis with a unified system under common operation and management reaching from Louisiana, and possibly Texas gas fields, to the distributors now selling gas to consumers, resulting in a larger and financially stronger company, which will be in a better position to finance and carry into effect any plan of physical interconnection the Federal Power Commission may deem appropriate and approve. The amended application recites that a direct merger will result in benefit to consumers and stockholders alike, viz., economies of purchasing as a result of quantity discounts which would not otherwise be available, current borrowing for construction can be effected more easily and at a lower interest rate, and additional supplies can be secured more promptly. Other advantages are stated to be simplification of corporate structure, the elimination of duplicated administrative and supervisory services, together with duplication in the matter of accounts, and transactions with State and Federal agencies.

Any interested State commission is requested to notify the Federal Power Commission whether the amended joint application shall be considered under the cooperative provisions of Rule 37 of the Commission's rules of practice and procedure, and if so, to advise the Federal Power Commission whether it desires a conference, the creation of a board, or a joint or concurrent hearing as defined in said rule and the reasons for such request.

The amended joint application of Memphis, Kentucky and Texas is on file with the Commission and is open to public inspection. Any person desiring to be heard or to make any protest with reference to the amended application shall file with the Federal Power Commission, Washington 25, D. C., not later than fifteen days from the date of publication of this notice in the FEDERAL REGISTER, a petition to intervene or protest. Such petition or protest shall conform to the requirements of the rules of practice and procedure (effective September 11, 1946), and shall set out clearly and concisely the facts from which the nature of the petitioner's or protestant's alleged right or interest can be determined. Petitions for intervention shall state fully and completely the grounds of the proposed intervention and the contentions of the petitioner in the proceeding, so as to advise the parties and the Commission as to the issues of fact or law to be raised or controverted, by admitting, denying, or explaining specifically and in detail, each material allegation of fact or law asserted with respect to the application.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 47-6172; Filed, July 1, 1947; 8:45 a. m.]

[Docket No. G-913]

MONTANA-DAKOTA UTILITIES CO.

NOTICE OF APPLICATION

JUNE 25, 1947.

Notice is hereby given that on June 17, 1947, Montana-Dakota Utilities Company (Applicant), a Delaware corporation having its principal place of business at 831 2d Avenue South, Minneapolis, Minnesota, and authorized to do business in Minnesota, Montana, North Dakota, South Dakota, and Wyoming, filed an application with the Federal Power Commission for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing Applicant to construct and operate the following described facilities, subject to the jurisdiction of the Commission:

(a) One (1) 300 HP compressor at Applicant's Saco compressor station located near Saco, Montana.

(b) Two (2) 300 HP compressors at Applicant's Fort Peck compressor station, located near Fort Peck, Montana.

(c) Necessary auxiliaries, including cooling facilities, building additions and other changes incident to the installation of these compressors.

Applicant states that upon completion of the facilities proposed herein Applicant will have installed and in operation compressor engines totaling 1440 HP in the Saco compressor station, and will have installed and in operation compressors totaling 2400 HP in its Fort Peck compressor station; that construction and completion of the proposed facilities is desired for use to meet peak load requirements for the winter of 1947-1948, and are not intended to serve any new communities at the present time.

Applicant states the natural gas load in the territory served by the Baker-Glendive and Bowdoin fields has increased rapidly during the past several years, making necessary the imposition of restrictions on firm gas sales on peak days; that the proposed compressors together with the 10-inch pipeline authorized at Docket No. G-732, to be completed and in operation by July 1, 1947, will provide necessary additional capacity in the system; and that the decline in pressures in the Baker-Glendive field in Fallon and Wibaux Counties, Montana, and Bowman County, North Dakota, necessitate the use of additional gas from the Bowdoin field on peak days, and requires provision for increased storage in the Baker field of Bowdoin gas to provide increased service on peak days. Applicant further asserts under present load conditions and under the load conditions which will exist upon completion of installation of the 10-inch pipeline authorized in Docket No. G-732 Applicant will have no spare capacity in any compressor station on its Baker-Bowdoin system.

According to the Applicant, the proposed facilities are necessary to enable the Applicant to meet peak load conditions and to carry on its storage program during the summer months.

Applicant estimates that the total over-all cost of the proposed facilities is $188,452, which will be financed from funds presently available to the Applicant. Applicant states the cost of the additional facilities will not produce any change in revenues or require any change in Applicant's plan of operation.

Any interested State commission is requested to notify the Federal Power Commission whether the application should be considered under the cooperative provisions of the Commission's rules of practice and procedure and, if so, to advise the Federal Power Commission as to the nature of its interest in the matter and whether it desires a conference, the creation of a board, or a joint or concurrent hearing, together with reasons for such request.

The application of Montana-Dakota Utilities Company is on file with the Commission and is open to public inspection. Any person desiring to be heard or to make any protest with reference to the application shall file with the Federal Power Commission, Washington 25, D. C., not later than fifteen days from the date of publication of this notice in the FEDERAL REGISTER, a petition to intervene or protest. Such petition or protest shall conform to the requirements of the rules of practice and procedure (effective September 11, 1946), and shall set out clearly and concisely the facts from which the nature of the petitioner's or protestant's alleged right or interest can be determined. Petitions for intervention shall state fully and completely the grounds of the proposed intervention and the contentions of the petitioner in the proceeding so as to advise the parties and the Commission as to the specific issues of fact or law to be raised or controverted, by admitting, denying, or otherwise answering, specifically and in detail, each material allegation of fact or law asserted in the proceeding.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 47-6191; Filed, July 1, 1947; 8:49 a. m.]

INTERSTATE COMMERCE COMMISSION

[S. O. 396, Special Permit 225]

RECONSIGNMENT OF PLUMS AT HARRISBURG, PA.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15008), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Harrisburg, Pa., June 25, 1947, by Harrisburg Daily Market, of car PFE 91967, Plums, now on the PRR, to Philadelphia, Pa. (PRR)

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 25th day of June 1947.

V. C. CLINGER,
Director,
Bureau of Service.

[F. R. Doc. 47-6180; Filed, July 1, 1947; 8:46 a. m.]

[S. O. 396, Special Permit 226]

RECONSIGNMENT OF CAR AT ST. LOUIS, MO.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15008), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at St. Louis, Mo., June 25, 1947, by Larry Lightner, Inc., of car URTX 9224, now on the Mo. Pac., to Pittsburgh, Pa. (PRR)

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 25th day of June 1947.

V. C. CLINGER,
Director,
Bureau of Service.

[F. R. Doc. 47-6179; Filed, July 1, 1947; 8:46 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 1-2427]

REPUBLIC OF CUBA

ORDER GRANTING APPLICATION TO STRIKE FROM LISTING AND REGISTRATION

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 26th day of June A. D. 1947.

In the matter of Republic of Cuba, Public Works 5½% Sinking Fund Gold Bonds, due June 30, 1945, File No. 1-2427.

The New York Stock Exchange, pursuant to section 12 (d) of the Securities Exchange Act of 1934 and Rule X-12D2-1 (b) promulgated thereunder, having made application to strike from listing and registration the Public Works 5½% Sinking Fund Gold Bonds, due June 30, 1945, of the Republic of Cuba;

After appropriate notice, a hearing having been held in this matter; and

The Commission having considered said application together with the evidence introduced at said hearing, and having due regard for the public interest and the protection of investors;

It is ordered, That said application be, and the same is, hereby granted, effective at the close of the trading session on July 7, 1947.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 47-6175; Filed, July 1, 1947; 8:45 a. m.]

[File No. 54-68]

COMMUNITY GAS AND POWER CO. AND AMERICAN GAS AND POWER CO.

ORDER GRANTING EXTENSION OF TIME

At a regular session of the Securities and Exchange Commission held at its office in the City of Philadelphia, Pa. on the 23d day of June A. D. 1947.

The Commission, by orders dated April 10, 1946, and January 14, 1947, having approved a plan providing, among other things, for the liquidation of Community Gas and Power Company and the reorganization of American Gas and Power Company; and

The Commission having approved said plan subject, among other things, to the conditions specified in Rule U-24 and to the condition that said orders should not be operative to authorize the consummation of the proposed transactions until an appropriate District Court of the United States, upon application thereto, should have entered an order enforcing said plan; and

The District Court of the United States for the District of Delaware, upon application thereto by the Commission, having entered an order enforcing said plan on April 24, 1947; and

Certain debenture holders having appealed from said order to the United States Circuit Court of Appeals for the Third Circuit, and having applied to said Circuit Court for a stay of said order pending final determination of the appeal, which application for stay is now pending before said Circuit Court; and

It appearing that the sixty-day period provided by Rule U-24 expired June 23, 1947, and Community Gas and Power Company and American Gas and Power Company having now requested an extension of time so as to permit consummation of said plan after June 23, 1947; and

The Commission having considered said request and deeming it appropriate that an extension of time to July 31, 1947, be granted;

It is ordered, That the time within which the transactions proposed in said Plan may be consummated be, and it hereby is, extended to July 31, 1947.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 47-6174; Filed, July 1, 1947; 8:45 a. m.]

[File No. 70-1520]

KENTUCKY UTILITIES CO. ET AL.

SUPPLEMENTAL ORDER RELEASING JURISDICTION AND PERMITTING APPLICATIONS-DECLARATIONS TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 25th day of June A. D. 1947.

In the matter of Kentucky Utilities Company, Old Dominion Power Company, The Middle West Corporation, File No. 70-1520.

The Commission, on June 16, 1947, issued its Memorandum Findings and Opinion and Order[1] granting and permitting to become effective, subject to certain conditions, joint applications-declarations, as amended, filed pursuant to the Public Utility Holding Company Act of 1935, by The Middle West Corporation ("Middle West"), a registered holding company, Kentucky Utilities Company ("Kentucky"), a subsidiary of Middle West, and Old Dominion Power Company, a subsidiary of Kentucky, regarding a proposed recapitalization of Kentucky and Old Dominion Power Company and related transactions. Such transactions included the issue and sale by Kentucky, at competitive bidding pursuant to Rule U-50, of $24,000,000 principal amount of its First Mortgage Bonds, Series A, __%, to be dated May 1, 1947 and to mature May 1, 1977, and 130,000 shares of its __% Preferred Stock, cumulative, par value $100 per share, and the purchase by Middle West of shares of the common stock of Kentucky.

A further amendment to said applications-declarations has been filed by Middle West and Kentucky in which it is requested that said order of June 16, 1947 be modified to conform to the requirements of sections 371, 372, 373, and 1808 (f) of the Internal Revenue Code, as amended. Such amendment states that Middle West proposes to invest the proceeds heretofore received by it from the sale of securities of Michigan Gas and Electric Company in the common stock of Kentucky.[2]

With respect to the sale of preferred stock by Kentucky at competitive bid-

[1] See Kentucky Utilities Company et al. —— S. E. C. —— (1947), Holding Company Act Release No. 7489.

[2] In this connection, the Commission this day entered a separate order modifying its order of July 29, 1946, issued in the matter of Michigan Gas and Electric Company, et al., File No. 70-1262 (See Holding Company Act Release No. 6815).

ding, such stock was to be sold subject to an offer by Kentucky to its preferred stockholders to exchange shares of __% Preferred Stock for shares of preferred stocks presently held, and the invitation to bid required, among other things, that each bid specify the aggregate amount of compensation to be paid the bidder for his efforts in soliciting exchanges pursuant to the exchange offer, and for the purchase of shares of the __% Preferred Stock not required under the exchange program.

The terms of the order of June 16, 1947 provided that the proposed issue and sale of bonds and preferred stocks by Kentucky shall not be consummated until the results of competitive bidding have been made a matter of record in this proceeding and a further order entered by this Commission in the light of the record so completed, which order may contain such further terms and conditions as may then be deemed appropriate, and that jurisdiction be reserved for such purpose.

Kentucky has now filed an amendment which states that, in accordance with the permission granted by said order of June 16, 1947, it offered said bonds for sale pursuant to the competitive bidding requirements of Rule U-50 and has received bids as follows:

Bidders	Coupon rate	Price to Kentucky (percent of principal amount)[1]	Annual cost to Kentucky
	Pct.		
Halsey, Stuart & Co., Inc.	3	101.209	2.939
Union Securities Corp. and Merrill Lynch, Pierce, Fenner & Beane	3	100.99	2.95
The First Boston Corp.	3	100.77	2.961
Lehman Bros. and Lazard Freres & Co.	3	100.417	2.979

[1] Plus accrued interest from May 1, 1947.

Such amendment further states that Kentucky has accepted the bid of Halsey, Stuart & Co., Inc., as set out above, and that said bonds will be initially offered for sale to the public at a price of 101.985% of the principal amount thereof, plus accrued interest, resulting in an underwriting spread equal to 0.776% of the principal amount of said bonds; and that Kentucky has postponed the date for the presentation and opening of bids for the preferred stock to July 14, 1947.

The Commission has examined said amendments, has considered the record relevant thereto, and finds that there is no basis for imposing terms and conditions with respect to the acceptance by Kentucky of the bid of Halsey, Stuart & Co. Inc., that the jurisdiction heretofore reserved with respect to the sale at competitive bidding of preferred stock by Kentucky should be continued, and that jurisdiction should be reserved with respect to the requested modification of the Commission's order of June 16, 1947 to comply with the requirements of the Internal Revenue Code, as amended.

It is therefore ordered, That the jurisdiction heretofore reserved with respect to matters to be determined by competitive bidding, pursuant to Rule U-50, in connection with the offering for sale by Kentucky Utilities Company of said $24,000,000 principal amount of bonds, be, and hereby is, released and that said applications-declarations, as amended, be, and hereby are, granted and permitted to become effective, subject, however, to the other terms and conditions prescribed in said order of June 16, 1947.

It is further ordered, That jurisdiction be, and hereby is, reserved with respect to the request of The Middle West Corporation and Kentucky Utilities Company for modification of this Commission's order of June 16, 1947 to conform to the requirements of sections 371, 372, 373 and 1808 (f) of the Internal Revenue Code, is amended.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 47-6176; Filed, July. 1, 1947; 8:46 a. m.]

[File No. 70-1262]

MICHIGAN GAS AND ELECTRIC CO. AND MIDDLE WEST CORP.

ORDER MODIFYING PREVIOUS ORDER

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 25th day of June A. D. 1947.

The Commission, on July 29, 1946, issued its findings and opinion and order[1] granting and permitting to become effective a joint application-declaration, as amended, filed pursuant to the Public Utility Holding Company Act of 1935 by The Middle West Corporation ("Middle West"), a registered holding company, and its subsidiary, Michigan Gas and Electric Company. The transactions approved by such order of July 29, 1946 included the investment by Middle West of the net proceeds resulting from the sale by it of certain securities of Michigan Gas and Electric Company as a contribution to the capital or paid-in surplus of Central Illinois Public Service Company ("Cips"), a subsidiary of Middle West.

Middle West has now filed a supplemental application which states that said proceeds were not invested in Cips for the reason that said proceeds were not received by Middle West until after Middle West had made a substantial contribution to the capital of Cips[2] and requests that said Order be modified so as to strike from the last paragraph thereof the reference to the investment of said proceeds in Cips.

The Commission has examined such Supplemental Application and has considered the record relevant thereto and deems it appropriate to modify said Order as requested by Middle West.

It is therefore ordered, That the last paragraph of this Commission's order of July 29, 1946 entered in the above matter be, and it hereby is, modified to read as follows:

It is further ordered and recited, That the sale and transfer by The Middle West Corporation of 57,226 shares of the par value of $10 each ($572,260 in aggregate par amount) of Common Stock of Michigan Gas and Electric Company and the redemption by Michigan Gas and Electric Company of 4,878 shares without par value of its $6 Non Par Prior Lien Stock held by The Middle West Corporation are necessary or appropriate to the integration or simplification of the holding company system of The Middle West Corporation and are necessary or appropriate to effectuate the provisions of section 11 (b) of the Public Utility Holding Company Act of 1935.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 47-6177; Filed, July 1, 1947; 8:46 a. m.]

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[1] See Michigan Gas and Electric Company et al., — S. E. C. — (1946), Holding Company Act Release No. 6815.

[2] See Holding Company Act Release No. 6940.